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TODAY: MONEY

هكذا من الأصل

Indonesia Cancels F-16 Deal In Anger

Jakarta Won't Accept Criticism by U.S. Over Human Rights

Compiled by Our Staff From Dispatches

JAKARTA — Indonesia said Friday that it had canceled a deal to buy nine F-16 fighter jets from the United States because of repeated criticism of its human rights record in Congress.

Foreign Minister Ali Alatas also said that Indonesia had pulled out of a U.S.-sponsored military education and training program, known as IMET.

Mr. Alatas said the decision was conveyed in a letter sent by President Suharto to President Bill Clinton on Monday.

Quoting from the letter, Mr. Alatas pointed to "wholly unjustified criticisms in the United States Congress against Indonesia, which are linked to its participation in the IMET program and the planned purchase of the F-16 planes."

"While we regret this decision," The U.S. embassy said, "it is of course up to Indonesia to determine its own defense requirements.

"The United States and Indonesia have cooperated closely on a broad range of regional and global issues in the past, and we look forward to working closely with Indonesia in these areas in the future."

Mr. Alatas denied there was a link between the move and criticism from the U.S. State Department over the conduct of Indonesia's May 29 general elections, which the governing Golkar party won with a sweeping majority.

Several members of Congress have urged Mr. Clinton to postpone or cancel the F-16 deal because of reported human rights abuses by Indonesia's military, particularly against separatists in the former Portuguese colony of East Timor, annexed by Indonesia in 1976.

Human rights activists say the Indonesian Army has carried out killings, torture and illegal imprisonment of East Timorese fighting for independence.

Mr. Alatas singled out a bill, drafted by Representative Patrick Kennedy, Democrat of Rhode Island, that would eliminate $26 million in annual aid and $600,000 for military education and training to Indonesia.

Mr. Kennedy visited East Timor in

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Fritz Reiss/The Associated Press

Chancellor Helmut Kohl, right, and Prime Minister Tony Blair of Britain taking part in a ceremony Friday at the Bonn Chancellery as doubts grew in Germany over monetary union.

An Anti-Euro Bandwagon Picks Up Speed in Germany

Kohl's Bavarian Allies Voice Mistrust

By John Schmid
International Herald Tribune

FRANKFURT — Support within Germany for Europe's single currency deteriorated further Friday as Chancellor Helmut Kohl's Bavarian sister party voiced mistrust of the euro, heightening doubts that the project can move ahead as scheduled.

Further adding to the doubts over monetary union, a senior official at the German central bank said that France, under its newly elected leftist government, did not appear intent on meeting the qualifying conditions to join the single currency.

"I see no will by the French government to fulfill the Maastricht criteria," said a Bundesbank council member, Reimut Jochimsen, commenting on the Socialist Party's victory in France on Sunday.

Germany's own uphill efforts to meet the Maastricht budget criteria became tougher Friday when the government published unexpectedly high unemployment figures. Expanded welfare payments will make it more difficult for Bonn to plug holes in its budget.

According to the Federal Labor Office, the number of unemployed Germans climbed by 56,000 in May, to 4.36 million after adjustments for seasonal and calendar variations. The unemployment rate rose to 11.4 percent in May from 11.2 percent in April. The government and some economists had expected a drop in unemployment.

Resistance to a punctual introduction of the euro by the rightist Bavarian Christian Social Union — a critical ally within the governing coalition — threatens to weaken the pro-European stance of Mr. Kohl's government.

Blistering comments from Bavarian conservatives have further weakened the reputation of Mr. Kohl's pro-European finance minister, Theo Waigel, chairman of Bavaria's Christian Social Union. Mr. Waigel's own party members are undermining his efforts to put Germany at the heart of a Europe unified by a common central bank and a common currency.

Calls for a delay by Mr. Waigel's associates made it clear that the euro could become a political liability in Germany's elections next year. And as Wim Duisenberg, president-designate of the European Monetary Institute, observed Friday, monetary union is impossible without Germany, which has Europe's biggest economy and its strongest currency.

EU finance ministers will be under pressure to put the single currency back on track when they meet Sunday in Luxembourg. The meeting is ex-

See EMU, Page 5

U.S. Jobs Rate And Eurojitters Pump Up Dow

By Mitchell Martin
International Herald Tribune

NEW YORK — The U.S. unemployment rate fell to a 24-year low of 4.8 percent in May, the government said Friday. Combined with concerns about the future of the common European currency, the data drew money to Wall Street's stocks and bonds.

The jobs data surprised investors on two counts, showing a drop from the 4.9 percent jobless level of April — where a rise had been expected — but also revealing a smaller-than-expected 138,000 jobs had been created.

The job-creation number, however, reflected revisions going back to 1988. Ed Yardeni and Debbie Jacobs, economists at Deutsche Morgan Grenfell Inc., said in an advisory to clients that the important thing was that "the average monthly employment gain so far this year is 229,000, in line with gains recorded in 1996."

With wages showing a rise of only 0.3 percent during May and 3.8 percent from the level a year earlier, the view on Wall Street was that the American economy is churning out jobs without generating price increases.

On Wall Street, the Dow Jones industrial average closed up 130.49 points, reaching a record 7,435.78, and yields were sharply lower in the bond market. (Page 12)

Investors are betting that the Federal Reserve Board will not push short-term interest rates up

See DATA, Page 12

Algeria's Pro-Government Parties Sweep Vote

By John Lancaster
Washington Post Service

ALGIERS — The main pro-government party in Algeria scored a comfortable if not entirely convincing victory Friday in the country's first parliamentary elections since the eruption of civil war between Islamic militants and government forces in 1992.

Opposition parties promptly accused the government of fraud, and power will remain firmly in the hands of President Liamine Zeroual, a member of the ruling military elite that has dominated Algeria's political life since it won independence from France in 1962.

Nevertheless, a respectable showing by two pro-Islamic opposition parties has raised modest hopes among some Algerians of a gradual transition toward greater political pluralism and, possibly, an end to the slaughter that so far has claimed an estimated 60,000 lives.

The National Democratic Rally, which represents Mr. Zeroual's military-backed regime, won 155 of 380 seats in the new National Assembly, according to final results of the voting Thursday that were announced at a news conference Friday morning by Interior Minister Mustapha Benmansour.

Another pro-government party, the National Liberation Front, won 64 seats, bringing the total number of pro-government seats in Parliament to 219, or 57 percent.

But the second place finisher was the country's largest legal Islamic party, the Movement for a Peaceful Society, with 69 seats.

A smaller Islamist party, Al Nahda, won 34 seats, giving the Islamists an overall presence in Parliament of 103 seats, or 25 percent.

"If the elections give confidence to people that things are moving in the right direction, I think the violence could decrease in a fairly short time," Mohammed Hanned, a political scientist at the University of Algiers, said in an interview Friday.

"It's the beginning of a process," he said.

Government officials hailed the relatively peaceful contest as evidence that Algerians were shunning the violence that erupted after the army canceled multiparty elections in January 1992 rather than permit a victory by the Islamic Salvation Front, which has since been banned.

They claimed a final turnout figure of 66 percent, or slightly more than 10 million of the country's 16.8 million eligible voters.

"This historic vote, which was not marred by

See ALGERIA, Page 5

Criticism of Ties to Nazis Spawns Swiss Backlash

Truculent Mood May Endanger Payments

By Alan Cowell
New York Times Service

ZURICH — After months of being told that their history books were wrong and that Switzerland's war was not a good war, a truculent mood is building here that may turn the nation against making amends for what the Clinton administration and others depict as complicity with Nazi Germany.

Increasingly, Swiss diplomats, commentators, and the general public bristle at what they see as a double standard. Many here feel that the critics, particularly the United States, have unfairly singled out Switzerland for its shortcomings in a period in which many other nations behaved ingloriously.

"In our eyes, morality can mean other elements," Flavio Cotti, the foreign minister, mused in an interview that seemed to reflect a new and uncharacteristic readiness to abandon the niceties of diplomacy. "We could ask the United States why they didn't enter the war until later?"

Although they have learned that comparisons of their wartime behavior with that of others brings them no credit, officials here seem ready to make them if only to reflect their frustration that — no matter what they say or do — the image of a perfidious Switzerland will not go away.

"What happened to Dutch Jews, French Jews? It isn't discussed," said Thomas Borer, the country's leading diplomat on the so-called Nazi gold affair. "We are willing to discuss, but the debate is turning sour."

Politically, such sentiments mean that Swiss voters may not endorse what was to have been the centerpiece of the government's plans to make restitution to victims of oppression, including Holocaust survivors. Documents released in recent months have made clear that Swiss banks traded in looted Nazi gold, and that Swiss businesses made a fortune selling arms to the Nazis.

The government's plans to increase the monetary value of its gold reserves to create a $4.7 billion investment fund whose earnings would be used to pay compensation is subject to a referendum next spring. Additionally, the Parliament must vote this year to approve a $70-million contribution by the Swiss National Bank to a separate fund for Holocaust survivors.

After plans for the $4.7 billion fund were announced on March 5, opinion surveys registered 60 percent to 70 percent of Swiss voters approving the action. A recent survey, in the weekly L'Illustre, registered 43 percent against and only 40 percent in favor.

What was more alarming was the xenophobic, if not anti-Semitic, mes-

See SWISS, Page 5

Laszlo Balogh/Reuters

POPE AND PIGTAILS — Pope John Paul II blessing children during a Mass on Friday in the ski village of Zakopane, southern Poland. It was the seventh day of the Pope's visit to his homeland.

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The IHT on-line http://www.iht.com

AGENDA

U.S. Envoy Warns Kabila on Rights

KINSHASA, Congo (NYT) — President Bill Clinton's special envoy to the Congo, Bill Richardson, arrived here Friday with a team of U.S. officials who can pave the way for the investment and aid desperately needed by this country, which was reduced to ruin during the three decades of rule by Mobutu Sese Seko, who was overthrown last month.

But Mr. Richardson had a human rights fist in the financial glove. The level of U.S. aid, he said, was dependent on the government's making "more progress on human rights," and taking decisive action to protect the tens of thousands of Rwandan Hutu refugees, thousands of whom are reported to have been killed by the forces led by Congo's new president, Laurent Kabila.

Japan-U.S. Crisis Plan

In drafting new Japan-U.S. crisis guidelines to be released this weekend, both sides have an eye on China, according to Douglas Paal, president of the Asia Pacific Policy Center in Washington. Page 4.

The Dollar

New York	Friday @ 4 P.M.	previous close
DM	1.7253	1.729
Pound	1.632	1.6345
Yen	114.40	115.885
FF	5.8194	5.8305

The Dow

	Friday close	previous close
+130.49	7435.78	7305.29

S&P 500

change	Friday @ 4 P.M.	previous close
+14.53	857.96	843.43

He's Forgiven But She's Not: Is Pentagon Hypocritical?

By Dana Priest
Washington Post Service

WASHINGTON — Defense Secretary William Cohen's decision to forgive a four-star general's adultery has plunged the Pentagon into a new controversy over whether it has a double standard for sexual behavior that protects top-ranking men but punishes women and lower-level service members.

"If you are a friend of the secretary of defense and you've had an affair, you're in," said Representative Carolyn Maloney, Democrat of New York. "If you are a successful woman who's had an affair, you're out."

Current and former military figures stepped forward to endorse Mr. Cohen's decision Wednesday to retain General Joseph Ralston of the air force as a lead candidate to become chairman of the Joint Chiefs of Staff, and thus the nation's top military commander.

But some members of the House Women's Caucus called for a moratorium on military prosecutions of consensual sexual activity until a way could be found to ensure that punishment was applied uniformly.

The White House was cautious, praising General Ralston, now vice chairman of the Joint Chiefs, in general terms, but saying it had not yet received Mr. Cohen's recommendation for a successor to the departing chairman, General John Shalikashvili.

White House aides, speaking on condition of anonymity, said the issue was uncomfortable for President Bill Clinton, who has been accused of extramarital affairs and faces a sexual harassment lawsuit.

Even people who agreed with Mr. Cohen's decision said they were struck by the contrast between the Ralston matter and the way the military handled the recent case of First Lieutenant Kelly Flinn, the nation's first woman to fly a B-52 bomber. She was discharged from the air force after being accused of adul-

See ADULTERY, Page 5

Europe's Airlines Fly High With American Managers

By John Tagliabue
New York Times Service

FRANKFURT — It's not that Frederick Reid isn't used to working abroad. After all, Mr. Reid, a California native, has worked for a hotel concern in India and spent 14 years overseas with Pan American World Airways and American Airlines.

Still, when a headhunter called from Germany one day in 1991 to ask whether Mr. Reid was interested in working there, he said, "I don't think so." Mr. Reid, then American Airlines' managing director for European sales, recalled that "first of all, I said, I have no German, and secondly, I have no interest in working for a German company, except maybe for Lufthansa."

But the headhunter called back to say the company was, in fact, Lufthansa, and Mr. Reid had what he describes today as a "long, serious talk" with Juergen Weber, Lufthansa's chairman.

In February 1992, Mr. Reid became, at 41, Lufthansa's senior vice president for the Americas, penetrating deeper than any foreigner before him into the German carrier's inner sanctum. In April he went deeper still, becoming president and chief operating officer.

Mr. Reid's remarkable rise at Lufthansa is by no means an isolated case. As Europe's airline industry goes through an overhaul reminiscent of the wrenching changes at U.S. airlines in the 1980s, many European carriers are recruiting battle-tested American executives for top jobs.

In 1994, Air France hired two former executives of United Airlines to advise management. This year Swissair, a unit of SAirGroup AG, named a former American Airlines officer as its chief operating officer.

Last year, when the British investor Richard Branson started a no-frills carrier, Virgin Express, he hired the former head of Continental Express to run it.

European airlines apparently see an edge in hiring executives who know the rough-and-tumble of American deregulation and are familiar with techniques for getting costs down, running hub-and-spoke operations and increasing efficiency with computerized scheduling and pricing systems.

With growing European airlines increasingly thirsty for private capital, recruiting tough American managers signals to international investors that they mean business.

Not that Europe has not had its own crop of airline turnaround artists. In the 1980s, when Prime Minister Margaret Thatcher privatized British Airways, a Brit-

See YANKS, Page 5

Newsstand Prices

Andorra	10.00 FF	Lebanon	11,3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 PTAS
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

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Blair Tells Europeans: 'Am I Satisfied? No'

'Modernize or Die,' He Advises Socialists

By Warren Hoge
New York Times Service

LONDON — Prime Minister Tony Blair of Britain went on his third European excursion in two weeks Friday, brashly counseling a gathering of the Continent's socialist leaders gathered in Sweden to discard dogma "or die" and telling Chancellor Helmut Kohl in Bonn that the European Union was out of touch with its own people.

"Am I satisfied with Europe? Frankly, no," Mr. Blair said in an address to the European Social Democratic Parties' Congress in Malmo.

If the center-left leaders were thinking of celebrating recent electoral victories that have given them control of 9 of the union's 15 countries, Mr. Blair was playing the spoiler. "Stay as we are and we fail," he said.

Urging them to abandon "old style" ideas of "more spending or regulations," he said, "Our task today is not to fight old battles, but to show there is a third way — a way of marrying together an open, competitive and successful economy with a just, decent and humane society."

In a plea for a New Europe reminiscent of his campaign for New Labour, he said, "As I said to the British Labour Party a few years ago, we modernize or die."

Riding the crest of his overwhelming win in Britain's election May 1 and a Gallup poll published in The Daily Telegraph in London on Friday showing him with an approval rating of 82 percent, the highest ever achieved by any British prime minister, Mr. Blair was greeted joyously as he took the stage before a solid red backdrop. While his remarks clearly challenged values and postures held dear by many of his 1,000 listeners, they drew a standing ovation and a warm handshake from the subsequent speaker, an even more freshly minted European center-left hero, Prime Minister Lionel Jospin of France.

In his speech, Mr. Jospin, 59, spoke admiringly of some of the very policies that Mr. Blair, 44, had said were outdated and received an equally idolatrous reception.

"I am very attached to the idea that public services must remain central," said Mr. Jospin to the same audience that moments before had heard Mr. Blair pledge reform of the welfare state, limited government spending and taxes and the adoption of free-market steps to increase worker productivity and business competitiveness. "Market forces — if there is no attempt to control them — will threaten our very idea of civilization," Mr. Jospin countered.

Mr. Jospin became prime minister on Monday after French voters turned out of office a center-right government that had been applying austerity measures to reduce public debt to bring its economy into conformity with the qualifying criteria for monetary union in 1999.

With France's unemployment at 12.8 percent, twice the rate of Britain's, Mr. Jospin had promised to create 700,000 new jobs and reduce the work week with no cuts in pay.

Mr. Blair, by contrast, is trying to steer Europe in the direction Britain has gone over the past decade, and that has produced an economy with wider income disparities but less inflation and less unemployment than the European norm. Mr. Blair puts jobs at the top of his agenda, too, but he believes they should be created by the private sector with the focus on the training and upgrading of skills of workers to fill them.

One of Mr. Blair's first acts in office, aimed at repairing Britain's frayed relations with Europe, was to reverse the policy of the preceding Conservative government and agree to sign a package of modest workplace proposals known as the Social Chapter. On Friday, Mr. Blair cautioned his center-left colleagues not to exploit that accord to introduce excessive regulations that would damage competitiveness and said he would be keeping a "watchful eye" on developments.

Gerard Cerles/Agence France-Presse

Prime Minister Lionel Jospin, left, greeting Tony Blair, his British counterpart, on Friday at the socialist congress in Malmo, Sweden.

BRIEFLY

Mafia Boss Arrested In Sicilian Raid

PALERMO, Sicily — Scores of police stormed a Sicilian farmhouse on Friday to arrest Pietro Aglieri, one of Italy's most wanted Mafia chieftains.

The Palermo police chief, Antonino Manganelli, said at a news conference that Mr. Aglieri had been arrested with two mob linmen after about 100 police officers used ladders to enter the grounds of a house east of Palermo. About 200 other agents surrounded the premises.

The operation was hailed as a severe blow to organized crime in Italy and was the most important Mafia arrest since that of the Sicilian boss Giovanni Brusca last year.

Mr. Aglieri has been sentenced in his absence to life in prison for the murder of another Mafia boss, Benedetto Grado. *(Reuters)*

Turkey Says Kurds Deploy SA-7 Missiles

ANKARA — A Turkish military spokesman said Friday that Kurdish rebels had used sophisticated anti-aircraft missiles to shoot down two army helicopters on a mission in northern Iraq.

General Erol Ozkasnak said the Kurdistan Workers Party rebels had gained access to stich weaponry for the first time from countries that Turkey accuses of supporting the rebels.

He said the rebels had used SA-7 missiles to bring down a Cougar troop carrier, with 11 officers and soldiers on board, this past week, and a second, smaller Super-Cobra attack helicopter on May 18. *(Reuters)*

Spanish Protesters Bar French Crossing

MADRID — Hundreds of Spanish truck drivers and farmers blockaded the French border Friday to protest attacks by their French counterparts on their trucks and produce, union officials said.

The protesters blocked the major crossing at La Jonquera, stopping vehicles from passing the highway toll.

Meanwhile, the French Foreign Ministry spokesman, Jacques Rummelhardt, condemned violence carried out by his country's farmers and called for a police report on the incidents. *(Reuters)*

Bonn Moves to Stop Pensions to Ex-Nazis

BONN — Germany's upper house of Parliament approved a draft law Friday to stop disability pensions being paid to Nazi war criminals after U.S. Jewish groups revealed that thousands were still receiving benefits.

The upper house, representing the 16 federal states, said payments should be stopped for anyone living in Germany or abroad who had clearly "violated the principles of humanity and justice" during World War II.

Until now, states could only cut off payments to former war criminals living abroad. Bonn admitted in January some Nazi war criminals were still receiving pensions. *(Reuters)*

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A Christian Burial for Lenin?

Yeltsin Floats the Idea, and Communists Take Up the Challenge

Compiled by Our Staff From Dispatches

ST. PETERSBURG — President Boris Yeltsin dangled a red rag in front of his Communist foes in Parliament on Friday by suggesting that Lenin should get a Christian burial.

Mr. Yeltsin's government has hinted that he may dissolve Parliament if it does not pass reforms, and the president was clearly relishing a new battle when he suggested Russians could decide the fate of the Bolshevik leader's corpse in a referendum.

"I hope we will gradually rid Red Square of its status as a cemetery," Mr. Yeltsin told cultural leaders here, saying a referendum could be held in the autumn on whether to move Lenin's mummified body from its marble tomb outside the Kremlin wall.

"The Communists, of course, will fight this, but I am used to fighting with them," Mr. Yeltsin added.

Gennadi Seleznev, speaker of the Communist-dominated lower house of Parliament, the State Duma, did not oppose the idea of a referendum. "The referendum will take place. It's democratically normal, but the president will lose," he said.

"The problem of burying Lenin should not be raised for another 30 years because we have many other problems and I do not know why this subject should be a priority."

Mr. Yeltsin, 66, rarely travels around Russia outside election campaigns, and he has been busy with foreign policy and a new reform push since he recovered in February from months of illness. But he was in robust form during his trip to St. Petersburg, the start of what he says will be an extensive check on the regions to root out corruption.

The deputies, meanwhile, have passed a law banning changes in the appearance of Red Square in a bid to stop Lenin's body from being removed. But Mr. Yeltsin has not signed the law and is unlikely to do so.

On Friday, he suggested "removing the funereal bloom" from Red Square, "not with bulldozers or excavators but gradually and in a civilized way," Interfax said.

"This is our history," Mr. Yeltsin said. "Let us give it a Christian character. A dead man should not be above earth. He should be buried in earth."

Mr. Yeltsin did not say what he wanted to do with Stalin and other Soviet personalities buried along the Kremlin wall. *(Reuters, AFP)*

■ 4 Journalists Freed

Four Russian journalists were released Friday after three months of captivity in Chechnya, and officials there said they hoped three more captives would be freed soon, Reuters reported from Moscow.

The journalists, an Itar-Tass correspondent, Nikolai Zagnoiko, and three reporters from Radio Russia, were seized in the breakaway Caucasus region two months before the signing of a peace deal between Mr. Yeltsin and the Chechen leader, Aslan Maskhadov.

TRAVEL UPDATE

Channel Tunnel Traffic Disrupted

COQUELLES, France (AFP) — Traffic through the Channel Tunnel was disrupted for about 45 minutes Friday after an incident in which truckers had to be evacuated along the service tunnel, the operator, Eurotunnel, said.

The incident, the second disruption in 24 hours in the tunnel, occurred after an alarm went off, stopping a train carrying freight trucks, a spokesman said.

British Airways to Revamp Image

LONDON (Bloomberg) — British Airways PLC will unveil a corporate makeover that will include dropping the Union Jack and the heraldic-style crest from the tail fins of its planes, instead adopting a softer look of abstract images.

The change underlines an attempt by BA to bill itself as a global carrier at a time when competition is intensifying and airlines are challenging each other in their home markets.

El Al Barred From 3 U.S. Cities

TEL AVIV (AP) — The Israeli airline El Al has been barred from operating direct flights to three major U.S. cities as part of a dispute over flight rights, media reported Friday.

The U.S. Department of Transportation banned El Al from expanding its U.S. service to Orlando, Dallas/Fort Worth and Washington, D.C./Baltimore after Israel prevented the U.S. charter carrier Tower Air from starting a Tel Aviv-Athens-New York route, the Jerusalem Post daily said.

U.S. Is Top Choice for Japanese

TOKYO (AFP) — The United States was the top destination for Japanese travelers last year, while Hong Kong replaced South Korea as the second most popular spot, a government report showed Friday.

The annual report on tourism also said the number of Hong Kong people coming to Japan soared 84 percent from a year earlier, the sharpest increase among all groups of foreigners visiting the country. The report said 5.18 million Japanese traveled to the United States in 1996, up 9.1 percent from 1995.

Shutting down Turkey's gambling casinos will be a blow to the country's $6 billion a year tourism industry, an industry spokesman said Friday. *(AP)*

Bonn Orders Surveillance Of Scientology

Compiled by Our Staff From Dispatches

BONN — Germany said Friday that it would place the Church of Scientology under nationwide observation by federal and state counter-intelligence agents.

The federal Interior Ministry and Germany's 16 regional states said a working group had recommended that sufficient suspicion existed of anti-democratic intent for them to legally place Scientology under surveillance.

Interior Minister Manfred Kanther said Germany would do all in its power during a yearlong observation to assess whether the group, which Germany does not recognize as a religion, could be classified as anti-constitutional.

"The whole spectrum of means available to protect the constitution will be put to the service of this examination," Mr. Kanther said at a news conference after a two-day meeting of interior ministers.

Germany says that Scientology exploits the insecurities of its members to extract profits from self-improvement courses. It is also accused of suppressing its members' freedoms guaranteed under the constitution.

A Scientology spokeswoman said the organization would seek to lodge a legal challenge against the decision. *(Reuters, AP)*

RELIGIOUS SERVICES

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CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m. Kids Welcome. De Cuserstraat 3. S. Amsterdam Info. 020-641 8812 or 020-6451 653.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Pibrac. Colomier. Sunday service. 6:30 p.m. Tel.: 05 62 74 11 55.

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PARIS and SUBURBS

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HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Defense. 3 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller. Pastor. Tel.: 01 43 33 04 06. Metro 1 to la Defense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH. Sat. 6:30 p.m. Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel. 01 45 27 25 56. Metro: Charles de Gaulle - Etoile.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Ichabashi Stn. Tel.: 3261-3740. Worship Service 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Stn. Tel: 3400-0047. Worship Services: Sundays - 9:30 & 11:00 a.m., 3S at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674. Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION: St. Anton Church, Minervastraße 63 Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

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PARIS and SUBURBS

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FLORENCE

ST. JAMES' CHURCH, Sun 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9. 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Pinz St. 22, 60323 Frankfurt, Germany. U1, 2, 3 Miquel-Allee. Tel: 49-69 55 01 84

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel. 41 22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

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THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

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BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 0421-78 648.

BUCHAREST

I.B.C., Strada Popa Rusu 22. 3.00 p.m. Contact Pastor Mike Kemper. Tel. 312 3660.

BUDAPEST

I.B.C., meets at Moricz Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00 Tel 250-3932.

BULGARIA

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INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchliche Gemeinde, Sodenerstr. 11-15, 65130 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries. Pastor M.Levey. Call/Fax: 06173-62728.

BETHEL I.B.C. Am Dachsberg 92 (English). Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

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PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

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AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

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GENEVA

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JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service. Sunday School & Nursery. Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2825525.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America Plenty of sunshine Sunday. Monday and Tuesday in New York City and Boston with comfortable afternoons. Maybe a shower in Chicago Sunday, then sunny and nice Monday and Tuesday. Cool for the season with showers and thunderstorms in Atlanta Sunday into Monday.

Europe Sunny and warm Sunday. Monday and probably Tuesday in Frankfurt, Amsterdam and Berlin. Scandinavia will also have sunshine, 24 hours a day in the north, and it will be quite warm. After sunshine in Paris Sunday and Monday, showers are possible Tuesday.

Asia Rain, possibly heavy, in Osaka and Tokyo Sunday; windy, but drier Monday. Warm and humid Sunday through Tuesday in Hong Kong, chance for a thundershower. A good chance for showers and thundershowers the next few days in Taipei. Partly sunny and hot in New Delhi Sunday through Tuesday.

Europe

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Algarve	22/71	14/57	pc	24/75	16/64	pc
Amsterdam	20/79	16/61	r	22/71	12/53	pc
Ankara	21/70	11/52	c	23/73	8/46	c
Athens	25/77	18/64	c	26/79	17/62	pc
Barcelona	26/82	20/68	pc	27/80	17/62	pc
Belgrade	27/80	12/53	pc	26/79	14/57	pc
Berlin	25/84	16/64	s	26/79	17/62	sh
Brussels	27/80	15/61	r	23/73	12/53	pc
Budapest	27/80	13/55	s	26/79	15/61	s
Copenhagen	27/80	17/62	s	25/77	16/61	sh
Costa Del Sol	26/79	17/62	c	27/80	19/66	pc
Dublin	17/62	11/52	r	14/57	4/39	pc
Edinburgh	21/70	12/53	pc	18/64	9/48	sh
Florence	28/82	17/62	pc	30/86	19/66	s
Frankfurt	30/86	15/61	s	26/79	15/59	pc
Geneva	30/86	17/62	pc	27/80	13/55	pc
Helsinki	23/73	12/53	s	24/75	14/57	s
Istanbul	24/75	17/62	pc	24/75	16/61	sh
Kiev	25/77	13/55	pc	23/73	16/61	pc
Las Palmas	26/79	20/68	pc	26/79	22/71	pc
Lisbon	23/71	13/55	s	23/73	17/62	pc
London	22/71	12/53	pc	19/66	10/50	pc
Madrid	24/75	14/57	c	29/82	14/57	pc
Mallorca	26/79	21/70	c	29/84	21/70	c
Milan	30/86	16/68	pc	31/88	21/70	pc
Moscow	22/71	13/55	c	24/75	17/62	sh
Munich	28/79	14/57	pc	29/79	17/62	c
Nice	27/80	19/66	s	27/80	21/70	c
Oslo	22/71	14/57	r	22/71	16/61	pc
Paris	28/79	14/57	r	21/70	11/52	pc
Prague	25/77	12/53	s	26/79	16/61	pc
Reykjavik	3/37	-1/31	pc	5/41	3/37	sn
Riga	22/71	12/53	s	23/73	13/55	r
Rome	28/82	17/62	pc	29/84	18/64	s
St. Petersburg	22/71	13/55	s	24/75	16/61	s
Stockholm	22/71	13/55	s	24/75	14/57	pc
Strasbourg	31/88	19/66	pc	28/82	17/62	pc
Tallinn	22/71	11/52	s	24/75	14/57	s
Tbilisi	24/75	14/57	r	29/79	18/64	c
Venice	20/79	18/64	c	27/80	21/70	pc
Vienna	24/75	14/57	s	24/75	16/61	pc
Warsaw	23/77	11/52	s	22/71	12/53	pc
Zurich	28/82	19/64	pc	26/79	17/62	pc

Middle East

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Abu Dhabi	36/97	22/73	s	37/99	22/71	sh
Beirut	33/73	18/64	pc	27/80	23/73	pc
Cairo	38/97	21/70	s	37/99	21/70	sh
Damascus	26/82	14/57	s	31/88	18/61	s
Jerusalem	27/80	14/57	s	29/84	18/64	pc
Luxor	43/109	19/66	s	43/109	23/73	c
Riyadh	42/107	25/77	s	41/106	25/79	s

North America

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Anchorage	16/61	8/46	sh	15/59	7/44	sh
Atlanta	22/71	16/61	r	27/80	16/61	t
Boston	21/70	12/53	pc	19/66	12/53	pc
Chicago	21/70	13/55	r	23/73	11/52	pc
Dallas	31/88	19/66	pc	30/86	19/64	pc
Denver	24/75	12/53	c	24/75	9/48	t
Detroit	21/70	12/53	pc	22/71	12/53	sh
Honolulu	31/88	23/73	pc	32/89	23/73	pc
Houston	30/86	21/70	pc	31/88	19/66	pc
Los Angeles	28/82	15/59	c	29/82	14/57	pc
Miami	32/89	24/75	s	32/89	24/75	pc
Minneapolis	24/75	13/55	s	24/75	13/55	pc
Montreal	23/73	13/55	pc	23/73	14/57	pc
Nassau	31/88	25/77	pc	31/88	25/77	c
New York	22/71	13/55	pc	22/71	14/57	pc
Orlando	32/89	22/71	pc	32/89	23/73	pc
Phoenix	33/91	19/66	pc	36/97	21/70	pc
San Fran	22/71	12/53	s	22/71	12/53	pc
Seattle	19/66	9/48	pc	20/68	11/52	pc
Toronto	22/71	11/52	pc	22/71	10/50	sh
Vancouver	18/64	7/44	c	18/68	9/48	pc
Washington	22/71	13/55	pc	22/71	13/55	pc

Asia

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Almaty	32/89	12/53	s	34/93	15/61	s
Bali	31/88	19/66	s	31/88	21/70	pc
Bangkok	33/89	24/75	c	32/89	25/77	pc
Beijing	29/82	19/66	r	29/84	19/66	s
Bombay	33/91	26/79	s	32/89	26/79	pc
Calcutta	36/100	29/79	s	37/99	25/77	pc
Chiang Mai	33/91	22/71	pc	32/89	23/73	pc
Colombo	29/84	23/73	pc	28/82	24/75	pc
Hanoi	33/89	28/73	pc	31/88	25/77	pc
Ho Chi Minh	32/89	23/73	r	32/89	24/75	pc
Hong Kong	29/84	24/75	pc	29/82	24/75	pc
Islamabad	43/109	23/73	s	41/106	23/73	t
Jakarta	30/86	23/73	pc	29/84	23/73	pc
Karachi	32/89	24/75	pc	33/91	24/75	s
K. Lumpur	32/89	23/73	c	31/88	23/73	c
K. Kinabalu	31/88	23/68	sh	29/84	21/70	pc
Manila	32/89	23/73	pc	32/89	24/75	pc
New Delhi	42/107	27/80	s	38/100	25/77	sh
Phnom Penh	31/88	22/71	sh	31/88	23/73	c
Phuket	33/91	24/75	c	32/89	25/77	pc
Rangoon	32/89	24/75	pc	32/89	24/75	pc
Seoul	25/77	16/61	pc	30/86	16/64	pc
Shanghai	32/89	24/75	pc	29/84	22/71	c
Singapore	29/84	21/70	r	31/88	22/71	pc
Taipei	31/88	24/75	c	31/88	24/75	pc
Tokyo	21/70	16/61	pc	23/73	22/71	pc
Vientiane	32/89	23/73	pc	31/88	26/79	pc

Africa

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Algiers	34/93	20/68	s	31/88	18/64	pc
Cape Town	18/64	11/52	c	17/62	7/44	sh
Casablanca	23/73	16/61	pc	24/75	20/68	pc
Harare	28/84	13/55	pc	29/84	14/57	s
Lagos	30/86	25/77	pc	31/88	24/75	pc
Nairobi	28/79	12/53	c	26/79	14/57	pc
Tunis	28/82	19/61	s	31/88	19/66	s

Latin America

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Buenos Aires	18/61	9/48	pc	18/64	7/44	pc
Caracas	30/86	24/75	r	31/88	25/77	pc
Lima	23/73	16/61	s	22/71	17/62	pc
Mexico City	22/71	12/53	c	23/73	13/55	pc
Rio de Janeiro	24/75	17/62	sh	22/71	17/62	sh
Santiago	17/62	3/37	pc	17/62	5/41	pc

Oceania

	Today High	Today Low	W	Tomorrow High	Tomorrow Low	W
	C/F	C/F		C/F	C/F	
Auckland	13/55	8/46	s	14/57	9/48	pc
Sydney	18/64	8/46	s	17/62	12/53	pc

Legends: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, hce, W-weather. - All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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Chicago School System Gets Tough on Students

Trying Out New Approach, City Raises Standards for Passing to the Next Grade

By Dirk Johnson
New York Times Service

CHICAGO — Students who skip classes or slough off homework often seem to smirk at their exasperated teachers, as if to say, "What can you do to me?"

The Chicago public school system has an answer that is getting the attention of students in a big way: Flunk you.

About one-quarter of the eighth-graders in the Chicago system were told this week that they would not be allowed to graduate from elementary school on time, because they had failed to master the required material. They must attend classes during the summer and then pass a standardized test, or repeat the eighth grade.

Among ninth-graders, a similar requirement will fall on a staggering 48 percent.

The Chicago system, pilloried a decade ago as the worst in the United States, has become perhaps the boldest *experimenter with a toughened, back-to-basics approach.*

"Everybody is passing tougher standards, but Chicago is actually holding students to them," said Kathy Christie, a spokeswoman for the Education Commission of the States. "They're a little ahead of the game. We're going to be seeing a lot of this around the country in the next year or two."

Judging the Chicago schools to be in desperate straits, the Illinois Legislature in 1995 gave broad powers over the system to Mayor Richard Daley. The mayor chose one of his top aides, Paul Vallas, to head the schools, naming him chief executive officer — a title intended to connote the transformation of a leaden bureaucracy into a nimble, results-oriented business.

Now in his second year leading the United States' third-largest school system, Mr. Vallas has put students and administrators alike on notice that they are expected to do better.

More than 100 schools have been put on academic probation, with demands to improve test scores or bear the consequences. More than a dozen principals have been removed from schools where students were performing poorly.

And students have learned that the schools were not bluffing when they announced the end of "social promotions," the custom of promoting students *even when they fail to do the* work, solely to keep them with their peer group.

Last year, when about 25 percent of eighth-graders were required to attend summer school, they were nonetheless allowed to participate in the June graduation ceremonies. *This year the ceremonies will exclude failing students.*

Mr. Vallas deplores social promotions as "educational malpractice," arguing that schools set up youths for bitter failure by promoting those who lack the proper skills.

"How many of these young people became dropouts?" he said. "How many became members of street gangs, or public-aid recipients? What's wrong with having children spend another year or two in elementary school? What's wrong with taking five or six years to get through high school, if that's what it takes to get them prepared?"

Joe Marquette/The Associated Press

BRONZE AGE — Senator Strom Thurmond of South Carolina, 94, looking at a bust of himself during a Capitol Hill lunch honoring him as the longest-serving member.

'I Miss My Mom,' Says Son of Victim

McVeigh Prosecution Ends Phase

The Associated Press

DENVER — Prosecutors on Friday ended the penalty phase of their case against Timothy McVeigh, finishing up with a father testifying about comforting his young son after the death of his mother in the Oklahoma City bombing.

"I deal with Clint's hurt all the time," Glenn Seidl said of living without his wife, Kathy, who died in the federal building's Secret Service office. "We try to live a normal life, but this isn't a normal situation."

The same jury that convicted Mr. McVeigh of murder now must decide if he should die by lethal injection or spend the rest of his life in prison.

Mr. Seidl's son, Clint, now 9, had been scheduled to testify, but Judge Richard Matsch of U.S. District Court excluded him, ruling that the account would be inflammatory.

Instead, the father read the jury a message from the son.

"I miss my mom," the boy wrote. "We used to go for walks. She would read to me. We would go to Wal-Mart.

"I will still make my mother Mother's Day and Valentine's Day cards like the other kids."

Three jurors and two alternates cried. Mr. McVeigh remained stoic, with the same blank expression he has worn through 38 witnesses who over three wrenching days have supported the prosecution bid to take his life.

Prosecutors contend that *death by injection is the only* verdict that fits the April 19, 1995, bombing of the Alfred Murrah Federal Building that left 168 people dead.

The defense will attempt to spare Mr. McVeigh the death penalty by calling his relatives, teachers and military officials. They are expected to describe the influences and events — including the FBI siege of the Branch Davidians near Waco, Texas — that turned the 29-year-old Gulf War veteran against his own government.

On his way into court Friday, Mr. McVeigh's lawyer, Stephen Jones, said: "I think that it might take another week or so of testimony before it's ready to go to the jury. It's all tough. It's been uphill for us, we understand that."

In their presentation, prosecutors displayed a series of photographs of the wounds on some of the bombing survivors. Although Judge Matsch barred the most gruesome images, the presentation still left jurors looking sickly.

Narrated by an Oklahoma epidemiologist, Sue Mallonee, the pictures showed backs sliced open by flying glass, crushed eye sockets, faces *made limp by nerve* damage and neck scars where jugular veins had been ripped open.

Ms. Mallonee provided the ghastly details of the victims' wounds:

"She had a large door knob embedded in the back of her head."

"He still has glass embedded in his back."

"Her right ear was torn away from her scalp."

White Who Killed Black Is Executed in Alabama

Reuters

ATMORE, Alabama — A former Ku Klux Klansman, Henry Francis Hays, was executed Friday, the first white man in Alabama to be put to death for murdering a black since 1913.

Mr. Hays, 42, was electrocuted for the 1981 murder of Michael Donald, a murder that prosecutors said was intended to demonstrate Klan strength.

The case triggered a civil court judgment in which a Klan group was held liable for its members' actions and ordered to pay damages to a victim's family. Mr. Hays contended that he was innocent and attributed his conviction, in 1983, to his membership in the United Klans of America.

But one of his fellow Klan members, James Knowles, testified at the murder trial that he and Mr. Hays had cruised Mobile, Alabama, on March 20, 1981, looking for a black to kill. The victim they set upon was Mr. Donald, 19. They forced Mr. Donald into their car at gunpoint, beat him and, after he tried to escape, put a noose around his neck and choked him. Mr. Knowles said Mr. Hays then slashed Mr. Donald's throat three times to make sure he was dead and tied his body up in a tree.

The jury of 11 whites and one black also recommended a sentence of life without parole. But the trial judge changed the penalty to death.

Mr. Knowles received a life sentence after pleading guilty to a federal charge of violating Mr. Donald's civil rights.

Mr. Hays's brother and sister made an unsuccessful appeal for clemency to Governor Fob James, blaming their late father for the crime.

Mr. Hays's father, Bennie Jack Hays, leader of the United Klans in southern Alabama, was charged with inciting Mr. Donald's murder. But a mistrial was declared in his case after he collapsed during the proceedings. He died before he could be tried again.

"I think the tragedy here was Bennie Hays, a man who orchestrated the whole thing," said Morris Dees, founder of the Southern Poverty Law Center, which sued the United Klans over the Donald murder. "A very, very evil man ended up destroying his whole family."

Away From Politics

• An inspector brought in by a theme park in Concord, California, to examine a water slide collapse that killed a teenager and injured 32 other people found no structural problems. The investigation by John Hunsucker, a University of Houston engineering professor and president of National Aquatic Safety Co., backed Waterworld USA's contention that the collapse was caused by too much weight when 30 Napa High School students rushed past a lifeguard and tried to go down the slide together. It tore apart 37 feet (11 meters) above ground. *(AP)*

• A plastics factory employee infuriated by an argument at work fatally shot two co-workers in Santa Fe Springs, California, and wounded four others, then fled and killed himself. Less than two hours after shooting his colleagues, Daniel Marsden accosted two women on a Los Angeles street corner and blurted, "This *is my last day!*" before sticking a gun barrel in his mouth and pulling the trigger. *(AP)*

• The FBI said it had recovered 12 of its 13 missing high-powered weapons, all but one grenade launcher. They were *found in bushes and high grass in Mem*phis, Tennessee, a few blocks from where a stolen FBI vehicle was discovered, burned and abandoned, its arsenal missing. *(NYT)*

• Florida is fighting its worst outbreak of the Mediterranean fruit fly in decades, trying to keep the citrus pest from spreading. The infestation was found east of the Tampa Bay area, and state officials expect to spend up to $3 million eradicating the fly. In a week, inspectors trapped more than 50 medflies in Brandon, Tampa, Carrollwood and Dover counties. *(AP)*

•The six daughters of Betty Shabazz, wearing purple ribbons in support of their mother's struggle for life, thanked the world for its "outpouring of support" and asked for its continued prayers. Mrs. Shabazz, the widow of the slain black activist Malcolm X, remained in extremely critical condition after undergoing two consecutive days of surgery. The 12-year-old grandson *suspected of setting her alight was due* back in Family Court. *(AP)*

POLITICAL NOTES

Phony Campaign Donors?

WASHINGTON — At least $200,000 in contributions to President Bill Clinton's 1996 re-election campaign came from donors that federal investigators now suspect were fictitious, including checks from several phony corporations and a $3,000 draft funneled through the account of a dead woman.

The most compelling evidence of this illegal practice comes from *two strikingly similar checks that arrived at* the headquarters of the Democratic National Committee in August, on the day after Mr. Clinton's 50th birthday fund-raiser at Radio City Music Hall in New York.

Both checks were solicited by John Huang, the fund-raiser who is at the center of the investigation into the financing of the 1996 Democratic campaign. One check, for $3,000, bore the name of Michele Lima, a New York City woman who died in 1986, according to investigators. The other, for $4,000, is signed with the name Hong Jen Chiao. Election records list Mr. Chiao's address as the Democratic National Committee's office here. Yet investigators, who have failed to find Mr. Chiao, now *suspect he does not exist.*

Written on the same day and in handwriting that appears identical, each check was made out to "Victor '96," an erroneous reference to "Victory '96," an organization committed to the re-election of Mr. Clinton. *(NYT)*

Quote/Unquote

Anne Luzzatto, a White House spokesman, on President Clinton's decision to stand by William Weld, the Republican governor of Massachusetts, as his choice for ambassador to Mexico despite objections from Jesse Helms, the Senate Foreign Relations Committee chairman: "He has strong bipartisan support, and we believe that we'll work through any concerns that may be out there successfully." *(WP)*

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ET TOO, By Richard Silvestri

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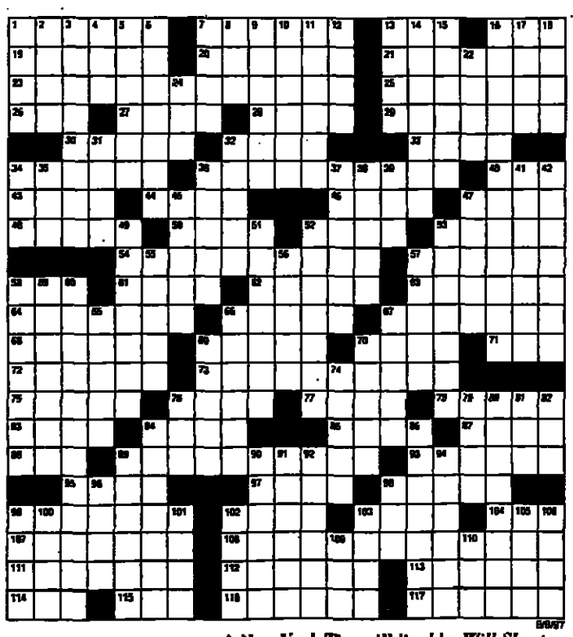
7 Lincoln's Secretary of State
13 Pop follower
16 Curly conker
19 For him and her
20 Information like 15-Down
21 Aerialist's get up
23 Shoot-out?
25 Ran against
26 Journal conclusion
27 Everglades deposit
28 Bolts down
29 Without words
30 Mr. Hyde, for one
32 Cousin of a bandore
33 Drained
34 Stood by
36 Some of the best impressionist art?
40 DH stat
43 Scots tongue
44 Riding for a fall
46 Construction piece
47 Go over
48 Jerk
50 Canute's foe
52 Mining waste
53 Year St. Eugene became Pope
54 Second-rate missile?
57 Harangue
58 *Teacher's deg.*
61 Exmoor exclamation
62 Surrey, e.g.
63 "Stand By Me" director
64 Scholarly
66 Formal accessories
67 Pelts
68 Dieter's temptation
69 Lose one's balance?
70 With the intent
71 Monogram of Macavity's creator
72 Swedish imports
73 When to go shopping?
75 "When You —— Love" (1912 tune)
76 Olympus Mons's locale
77 "Phooey!"
78 Spot maker
83 Sounds of disapproval
84 Personal quirks
85 "Phooey!"
87 Naturalness
88 Comic Phillips
89 Trip fare?
93 Cretaceous
95 Middle of a TV trio
97 Touched the tarmac
98 1944 Preminger movie
99 Positions of authority
102 Obote's deposer
103 Post
104 1959 Kingston Trio hit
107 Photography aids
108 Tennis player's bad end?
111 Cheese dish
112 C_6H_6, e.g.
113 Tickled pink
114 Affirmative on board
115 Connections
116 Heavy
117 It's good for what ails you

DOWN
1 Rustic
2 Responsibility
3 Catch of the day, perhaps
4 Digital communication?: Abbr.
5 Crow's home
6 Spreads out
7 Galley mark
8 Vocalized pauses
9 Get smart
10 Use a joystick
11 This person's revolting
12 Fancy fellows?
13 Gobs
14 Do the walls over
15 Officer Dibble's nemesis, in cartoons
16 Setting of a sci-fi slave story?
17 Pitcher Hershiser
18 Where debris gets caught
22 Peg away
24 Down
31 Bit of gossip
32 Senate Agriculture Committee head
34 Basketball Hall-of-Famer Unseld
35 Cycloid section
36 Pacer's burden
37 Four-minute men
38 Die down
39 Old bay, maybe
41 Fishermen, at times
42 Opposite
45 Simple organism
47 Money substitute
49 Two cents worth
51 Promotes
52 Slipped in sleet
53 Not coastal
55 People on line
56 Big piece
57 Sunfish
58 Put on a pedestal
59 Good form
60 "Backdraft" by the Bolshoi?
65 Shankar and others
66 Spread out
67 Exact moment
69 Directly
70 Cremona collectible
74 Fortuneteller's tool
76 Short time?
79 Honey
80 Slad dog
81 Set, as a price
82 Marshal at Waterloo
84 Receptive
86 Checkout device
89 "I, Claudius" star
90 Hot dish
91 Thunderhead's mother, in film
92 Sounded swinish
94 Giant get-together
96 Pluckable
98 Pastoral setting
99 *Other, in the* barrio
100 Row
101 Mach 1 fliers
102 Uzbekistan's —— Sea
103 British gun
105 Headed for overtime
106 Capp of the *comics*
109 Pilot's heading
110 1971 McCartney album



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Solution to Puzzle of May 31-June 1

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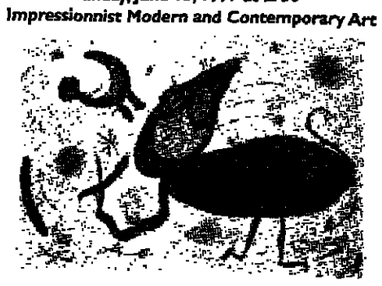

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In New Japan-U.S. Crisis Guidelines, One Eye Is on China

Tentative guidelines defining Japan's role in supporting the United States in regional crises are to be released this weekend. Under the guidelines, Japan reportedly would, among other things, fight under a unified military structure if Japan was attacked and help evacuate civilians from countries in a crisis. Douglas Paal, president of the Asia Pacific Policy Center in Washington, discussed the plans with Michael Richardson of the International Herald Tribune.

Q & A / Douglas Paal, of the Asia Pacific Policy Center

Q. What do you expect to see in the new guidelines for military cooperation between Japan and the United States?

A. I think that for peacetime, there's going to be a fairly extensive additional level of Japanese cooperation. Where there is no question of conflict or war, the Japanese are quite flexible.

The real issue will be how the guidelines would operate in a crisis. Japan's constitution doesn't allow its military to engage in any direct fighting with other countries, except in self-defense if Japan itself were attacked.

Q. Why is it important to clarify the terms for military cooperation between Japan and the United States?

A. Defense budgets are declining. When military contingencies are planned for, the U.S. no longer has the overwhelming capability it had during the Cold War. The extra planes, personnel and stockpiles are just not there to the extent they were before.

Yet some of the potential crises we confront could call for very large sums of money to be spent on transport, ammunition and things of that kind.

Q. President Bill Clinton and Prime Minister Ryutaro Hashimoto signed a declaration last year to strengthen the bilateral alliance. Chinese officials have been saying that the alliance is aimed against China. Do they have a point?

A. They do and they don't. The talks to rework the guidelines emerged out of the near-crisis in 1994 over North Korea's nuclear weapons program, when military action appeared probable. It was then that the gaps in the understandings between the U.S. and Japan over what were the ingredients of a successful buildup for managing a crisis became obvious.

But in the intervening period, we had the tension with China over Taiwan, when Chinese forces test-fired ballistic missiles into the Taiwan Straits and staged large-scale military exercises in the area. The security ties between Japan and the U.S. became palpably more important to each of their publics because of what China was doing.

Q. Where is the U.S.-Japan alliance now directed?

A. Primarily toward the Korean peninsula. But there are other kinds of crises that are possible. In a worst-case scenario, if things were to go very badly in Hong Kong, the U.S., with 30,000 Americans in the territory, would have to conduct a noncombatant evacuation operation. We would need Japanese support for some aspects of that. But Korea gives the guidelines review real urgency.

Q. Why then should China suspect that the scope of the U.S.-Japan alliance is being expanded specifically to include the Taiwan Straits and even the South China Sea?

A. It's not an unreasonable thing for the Chinese to see it this way. But they also see a tactical advantage: By seizing on this, they believe they can use it diplomatically to pressure the Japanese into making concessions.

Q. Won't the future application of the U.S.-Japan alliance and the military cooperation guidelines depend at least to some extent on how China behaves?

A. That's the bottom line. This declaration may become meaningless if Korea becomes a source of peace rather than tension. As to situations elsewhere, Chinese behavior will determine the extent to which it becomes an operational reality. So China should reflect on that.

Albright Revives Marshall's Spirit

In Harvard Speech, She Outlines Activist Foreign Policy

By Steven Erlanger
New York Times Service

CAMBRIDGE, Massachusetts — On the 50th anniversary of George Marshall's offer here at Harvard University to rebuild Europe with American aid, Secretary of State Madeleine Albright laid out an activist agenda for American responsibility and leadership in a less coherent, post-Soviet world.

On a dazzling late-spring day at Harvard University's 346th commencement, the secretary of state reached into her personal history to warn of the dangers of American isolationism and global indifference. Mrs. Albright praised Marshall and the lesson of the war he helped to win, which was that America must remain engaged in the world to prevent "the rise of great evil," and that "this time, America would not turn inward, America would lead."

Her speech was notable for its vision about how the United States can use its unchallenged power in the world.

"In the wake of the Cold War, it is not enough for us to say that communism has failed," she said. "We, too, must heed the lessons of the past, accept responsibility, and lead." Just as Marshall urged the nations of postwar Europe to come together to make the most of American aid, Mrs. Albright said the United States stands ready to help any country in the world willing to help itself.

"Our vision must encompass not one, but every continent," she said, telling those who were graduated Thursday they will "live global lives," competing in a world marketplace. Last week, she noted, President Bill Clinton said that no European democracy would be left out of a new community, even if the North Atlantic Treaty Organization itself expanded slowly.

"Today, I say that no nation in the world need be left out of the global system we are constructing," Mrs. Albright said. "And every nation that seeks to participate and is willing to do all it can to help itself will have America's help in finding the right path."

Pointedly, Mrs. Albright said she spoke not only as the secretary of state but "as one of the many people whose lives have been shaped by the turbulence of Europe."

Her father, Josef Korbel, was a Czechoslovak diplomat, chief of staff to the foreign minister, Jan Masaryk, who wanted to participate in the Marshall Plan. She recalled her father's telling her about Masaryk's return from Moscow, where Stalin informed him that Czechoslovakia would not participate.

Mrs. Albright, just back from the former Yugoslavia, received some of her warmest applause here when she demanded that war criminals be brought to justice.

While Mrs. Albright has said that she has no disagreement with Secretary of Defense William Cohen and fully expects American troops to leave Bosnia-Herzegovina in mid-1998, she raised the stakes for the administration about what needs to be done first.

She said that "the peaceful integration of Europe will not be complete until the Dayton peace accords are fulfilled." She added: "We cannot achieve our objectives in Bosnia by doing just enough to avoid immediate war; we must do all we can to help the people of Bosnia to achieve permanent peace."

Lou Siew Ying/Agence France-Presse

UNBOWED DISSIDENT — Bao Ge, a Chinese dissident, at his Shanghai home on Friday. Mr. Bao, who was released from a labor camp days earlier, said he would not be intimidated by the authorities into abandoning his activities to promote human rights.

BRIEFLY

Explosion on Bus Kills 5 in India

AMRITSAR, India — An explosion ripped through a bus in northern India on Friday, killing 5 people and wounding 11, the police said.

No one immediately claimed responsibility for the explosion, but its timing suggested militant Sikh involvement.

The blast occurred on the 13th anniversary of the deadly army raid on Sikh separatists who were hiding in the Golden Temple here, the holiest shrine of the Sikh religion.

The explosion occurred soon after the bus left the city of Pathankot, 400 kilometers (250 miles) north of New Delhi. *(AP)*

Protests in Peru

LIMA — Stone-throwing protesters clashed with Peruvian police in Lima during demonstrations against President Alberto Fujimori.

The violence Thursday began when several thousand demonstrators in central Lima surged toward Congress, where riot policemen blocked their way, witnesses said.

It was the largest recent protest aimed at Mr. Fujimori, whose popularity soared after the raid April 22 against terrorists holding 72 hostages in the Japanese Embassy but has slipped because of his perceived autocratic approach and failure to improve the lot of Peru's poor.

The protests embarrassed Peru while a meeting of the Organization of American States was taking place here. *(Reuters)*

Nike Assails Strip

HONG KONG — Nike is challenging the cartoon strip "Doonesbury" over working conditions in Vietnam.

Nike, the American sportswear giant, says Garry Trudeau's strip unfairly portrays its Vietnam factories as sweatshops where workers are abused and paid too little to eat properly.

Nike's workers earn two to three times the average per capita income of $200 a year in rural Vietnam, said Martha Benson, director of Asia-Pacific communications for Nike International.

Her remarks appeared in a letter published Friday in the South China Morning Post, a Hong Kong newspaper that carries "Doonesbury." *(AP)*

J. Anthony Lukas, Pulitzer Winner, Dies at 64

By Clyde Haberman
New York Times Service

NEW YORK — J. Anthony Lukas, 64, a driven, tenacious author and reporter who won two Pulitzer Prizes while exploring the social and racial fault lines of 20th-century America, died Thursday in his Manhattan apartment.

Mr. Lukas, who chronicled the generational upheavals of the 1960s for The New York Times and later wrote a detailed study of Boston's agony over school busing, had recently completed a new book about a politically charged murder trial in the West at the turn of the century.

An autopsy conducted Friday declared Mr. Lukas a suicide and showed that he asphyxiated himself. Ellen Borakove of the medical examiner's office said.

"He'd been in a funk since he finished the book," said his agent, Amanda Urban. "He'd convinced himself that it was not good enough, which was crazy because it was brilliant."

That kind of intensity was characteristic of Mr. Lukas, who spent years researching and writing his books.

"He was absolutely brilliant," said the author David Halberstam, who worked with Mr. Lukas at The Times in the 1960s. "He took journalism to a high intellectual level, yet he also had the doggedness of an old-fashioned police reporter. So you had a powerful combination."

That was recognized in the many journalism awards that Mr. Lukas won over the years, topped by his 1986 Pulitzer for "Common Ground," which examined the effects of court-ordered racial integration on three Boston families. It followed his 1968 Pulitzer for an in-depth investigation, "The Two Worlds of Linda Fitzpatrick," for The Times.

It was about the life and death of an affluent Connecticut teen-ager who was beaten to death, along with her hippie boyfriend, in Manhattan's East Village. The article contrasted her affluent suburban upbringing and her squalid drug-ridden life in New York City, which her family knew nothing about.

In 1969, Mr. Lukas covered the trial of the so-called "Chicago Eight," later the "Chicago Seven," anti-war militants accused of conspiracy to incite riots at the 1968 Democratic National Convention that was held in Chicago.

During the 1970s he wrote for many publications, including a highly detailed series on the Watergate scandal for The Times Magazine. Over the years, he won many journalism awards before he turned his attention to book-writing more or less fulltime.

George P. Livanos, 70, Owner Of Greek Tanker Fleets

ROME (NYT) — George P. Livanos, 70, who helped build postwar Greece into a formidable merchant shipping power and as owner and operator of tanker fleets vigorously promoted efforts to protect the marine environment, died last Sunday at a hospital in Athens.

Although usually counted among the select group of Greek shipping giants like the late Stavros Niarchos or Aristotle Onassis, known as the Golden Greeks, Mr. Livanos was not known for society page antics, but for the innovative way he built his family shipping company, Ceres Hellenic Shipping Enterprises Ltd., into an international behemoth. Its 91 vessels with 4.6 million deadweight tons, more than double the shrunken holdings of the late Mr. Onassis, make it Greece's largest merchant fleet.

But Mr. Livanos also sought to reduce the damage to the environment caused by large-scale shipping. In the early 1980s, upset by the growing incidence of oil spills, he founded the Hellenic Marine Environment Protection Association to encourage ship owners to promote improved training of crews and better safety measures aboard ships.

Ronnie Lane, 51, a bass guitarist who helped launch the careers of the British rockers Rod Stewart and Ron Wood, died in Trinidad, Colorado, Wednesday after an long battle with multiple sclerosis.

BOOKS

PANDAEMONIUM

By Leslie Epstein. 398 pages. $24.95. St. Martin's.

Reviewed by Carolyn See

FOR years, writers — talented and not so talented — have been trying their hands at the Hollywood novel, taking that form, at once so appealing and so intractable, and trying to bend it into some other shape so that it might yield information about the larger world. But Hollywood is tricky and the Hollywood novel trickier still.

If anyone can do it, it should be Leslie Epstein. His other novels include "Goldkorn Tales" and "King of the Jews"; he is thoughtful, edgy, bitter, acute. Also, his Hollywood credentials are impeccable: His father and uncle were the Epstein brothers, who between them wrote a zillion films, including "Casablanca." They were — are — a Hollywood legend.

In his earlier work, Leslie Epstein has been concerned with illuminating and defining the Jewish experience in this century, and he is continuing to do that here. He is saying things that will not necessarily conform to the popular or politically correct view of life as we know it.

In the year 1938, Peter Lorre, the charming Jewish character actor who has been saddled in Hollywood with a string of perfectly dreadful Mr. Moto flicks, finds himself flying to Salzburg in the company of renowned German director Rudolph von Beckmann and the exquisite legend of stage and screen Magdalena Mezaray. Beckmann has been prevailed upon by the Austrian chancellor "to save his nation from being swallowed up by its neighbor to the north."

Of course, we, as readers, know that these theatrical types are on a fool's errand, but, even within these fictional parameters, why anyone would think a production of "Antigone" might stop Hitler's Aryan hordes is a mystery.

Nevertheless, here they all are in Salzburg. Lorre is a nervous wreck, and snorts far more cocaine than is good for him. Von Beckmann struts and postures and utters anti-Semitic remarks to anyone who will listen. Hitler invades and promptly begins to court the delectable Magdalena.

This plot summary is, I'm afraid, too coarse and primitive to begin to suggest the depth and texture of the narrative here: It's strange and iridescent; nothing is quite what it seems. It's hateful to have to give away any part of a plot, but it must be said that by the end of Part 1, von Beckmann is unmasked as plain, unaristocratic Beckmann without the "von." On top of that, he comes from the unappealing town of Zaleszczyki. He's Jewish after all, from the same general neighborhood as the handful of Jewish refugees who came from the European nowhere and then went on to "invent" Hollywood.

THAT'S what Epstein aims to do here, I believe — to continue the work of writers like Neal Gabler and Scott Berg by looking into how this Jewish invention of Hollywood worked. His interpretation is frightening and more than a little sick-making, and a lot of people won't like it. (Of course, people who don't care about the fate of the Jews in this century or, on another level, don't care how movies are made, won't give a rat's whisker one way or the other.)

Back in California, World War II cranks up, and the author nails the Hollywood community. Over in Europe, Jews are being massacred, but Hollywood Jews pay little or no attention. They're too busy whirling around in the glamour and gossip of the moment, and they're far too busy making money. Even Lorre, who sees all these injustices, neither lifts a finger to help the Jews in Europe nor considers giving up playing that unappetizing detective Mr. Moto. The money is too good in Hollywood, the life too easy.

Meanwhile, "von" Beckmann has come to Hollywood and is filming that same "Antigone" as a western, out in a ghost town. The formerly persecuted Jew, now that he has real power of his own, is behaving very much like a mad Nazi.

Could it be that, in real life, the totally irrational, utterly vicious behavior we associate with the highest levels of Hollywood can be traced through oppressed Jews from the early part of this century back to their crazed Hun oppressors? Is Hollywood an essentially fascist system run by would-be Nazis? It's an interesting idea and "Pandaemonium" a very complex novel.

There's a problem, though. Does the larger reading public care to know — or care about this at all?

Carolyn See reviews books regularly for The Washington Post.

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In the Other Congo, No Welcome for Refugees

By Raymond Bonner
New York Times Service

BILOLO, Congo Republic — The diminutive peasant woman stands, hunched over, with the aid of a stick. Asked her age, she says: "I don't know." Then, after talking to her granddaughter, she says she is 84.

Yet in the last seven months, Marthe Nyarwango walked 2,000 kilometers (1,250 miles) across Zaire, the former Belgian colony now called Congo. She made the trek with tens of thousands of other Hutu refugees — young men, pregnant women, old people. They traversed some of the nastiest terrain on the planet — malaria-infested swamps and stretches of jungle so thick it is often not possible to see a person only meters away. They survived — those who did — on roots and leaves.

Along the way, Mrs. Nyarwango lost her son, his wife, and their son and two daughters. "I don't know if they are dead," she said.

The refugees who have arrived here in this former French colony are barefoot, weak and clothed in rags, living in a field where smoke rises from fires as they try to cook.

But now they may well be sent back, against their will, to Rwanda, the place they originally fled. It is a story of painful choices for the international agencies that want to help them, and of the governments that could.

The refugees are more than 10,000 Hutu who fled Rwanda three years ago after their ethnic rivals, the Tutsi, came to power. They feared retribution for a genocidal campaign that Hutu hard-liners had waged against the Tutsi, in which a half million or more Tutsi were slaughtered. Many of these survivors of the trek — the women and children — almost certainly had nothing to do with the massacres of the Tutsi, but many others are young men who might well have been among the killers.

After three years in refugee camps in eastern Zaire, they were set on their most recent flight when Rwandan Tutsi attacked the camps and a civil war broke out in Zaire. Now, after arrival at a safe place here in the Congo Republic, the refugees face a future that may be as perilous as the past they have tried to flee.

UN officials said that before the month was out, they would begin repatriating the refugees to their homes in Rwanda. They are responding to the Congo Republic's government, which has said the refugees must be out of the country by the end of this month.

'I saw the body of my wife in the river with blood. My son was with her.'

This presents an excruciating quandary for the UN High Commissioner for Refugees. Under the international conventions that the refugee agency is bound to uphold, only voluntary repatriations are acceptable, and the Hutu here do not want to go home. The overwhelming majority of them are young men — a fact attributed by the refugees to survival of the fittest on the trek — and they fear that if they are sent back, they will be killed or thrown into jail, because they will be suspected of having been involved in the killing of Tutsi in 1994.

During their odyssey across an area as large as the United States east of the Mississippi the refugees were besieged by hunger and disease.

They have been hunted for the last seven months — and thousands of them were killed — by Tutsi soldiers in the rebel army of Laurent Kabila, who since his army's victory has become president of the country formerly known as Zaire. (Mr. Kabila has readopted his country's original name, Congo, creating a bit of confusion with this country, the Congo Republic, which lies on the other side of the Congo River).

"I ran over dead bodies," said Therese Nyarampaduka, 47, standing with two daughters, 4 and 5, who made it; their father did not. "I was sure I would die," she said, starting to cry.

To cross the Congo River to here, she had to pay the canoe owner with all she had — the plastic sheeting, kitchen sets and clothes she had been given when she was a refugee in the camps in eastern Zaire from which she and the others fled in October.

Last month, when the refugees reached Mbandaka, in western Zaire, they were only a canoe ride across the river to the safety of the Congo Republic.

"We were resting in Mbandaka," said Jean Nsingayumva, a 24-year old peasant from Butare, Rwanda. "The Red Cross helped us. They gave us rice."

Then the town fell to the rebels; the Zairian Army fled without a fight.

"After we heard the guns crying, we began to run away," Mr. Nsingayumva said. He and his wife ran to the river with their two small children.

As Mr. Nsingayaumva was running, he turned around. "I saw the body of my wife in the river with blood," he said. "My son was with her." His son was 7 months old.

Now Mr. Nsingayumva, so weak that he lay down most of the time he talked, was caring for his surviving son, Petit Ntamizero, who is suffering from severe malnutrition. Four years old, he weighs 18 pounds.

It was on May 27 that Mr. Nsingayumva's wife and other son were killed, Mr. Nsingayumva said. He said he also saw the rebels knife two men to death.

That was the day on which hundreds of men, women and children were clubbed, bayoneted or shot by Mr. Kabila's forces, The Boston Globe reported Sunday.

The Kabila government in Kinshasa has emphatically and repeatedly denied that its soldiers killed any unarmed civilians.

In the refugee camp here, the sentiment of the refugees was expressed by Patrick Ndinda, 20. "We think we are safe now," he said, practicing the English he had learned in Kigali, the capital of Rwanda.

UN officials from the World Health Organization and the Food and Agricultural Organization who visited this bleak site Thursday said that the UN would comply with the Congo Republic's demand.

"This will not be a voluntary repatriation," said a refugee agency official here, acknowledging a reality he did not like.

Already at least 10,000 Hutu refugees have crossed into the Congo Republic, and an additional 20,000 are on the other side of the river, desperate to come over.

That is more refugees than the United States or most European countries would accept, and the Congo Republic is a poor country of 3 million people.

A major concern is the potential for political instability brought about by the presence of thousands of refugees in this country, which is preparing for an election next month.

It would cost at least $50 million to care for the refugees. "Are the donor governments going to come up with that kind of money?" the agency officer asked rhetorically. "The international community is tired of the Tutsi-Hutu refugee mess."

Benoit Doppagne/The New York Times

Marthe Nyarwango, 84, a refugee who walked 2,000 kilometers across Congo, being aided by her granddaughter.

SWISS: *Accusations Spawn Resentment*

Continued from Page 1

sage that some read into the swing in public opinion. "The Swiss of today do not need Jews and Americans to take the opportunity of dragging them through the mud," wrote Daniel Pillard, an editor at L'Illustre.

At the beginning of this year, it seemed that Switzerland might just trip lightly out of the opprobrium attached to its wartime past and its dealings with Nazi Germany.

Like a choreographed minuet, bankers, diplomats, American Jewish officials — and a majority of the Swiss — all seemed ready to take steps toward the creation of funds, foundations, and high-level inquiries that would underpin the process of moral atonement for Switzerland's economic closeness to the Nazis.

But since the publication in May of a withering U.S. report accusing the Swiss of prolonging World War II by acting as the Nazis' bankers — a charge Bern rejected — the dancers have stumbled. The report was directed by Stuart Eizenstat, U.S. undersecretary of commerce.

All the while protesting friendship with Washington, Swiss officials such as Mr. Cotti have taken to saying publicly what many Swiss were already saying in private: If the United States is so troubled by the morality of Switzerland's wartime behavior, why did it not enter the war until over two years after it started? Why did it not bomb the rail lines leading to Auschwitz?

The national obsession with the issue is so pervasive that Swiss television recently devoted a full three hours of prime-time viewing in French to a debate on the emotional issues that have arisen from the nation's modern history.

There is agreement, to be sure, between Switzerland and the United States about the broad outlines of Swiss wartime actions. Few dispute that the Swiss National Bank bought looted gold from Nazi Germany, that Swiss private banks and businesses did lucrative business with the Third Reich, or that Swiss officials turned away 30,000 Jewish refugees.

Even in the postwar era, the Swiss authorities are coming to acknowledge a legalistic obstructionism — some would call it greed and duplicity — that shielded German assets from Allied expropriation and blocked survivors' access to bank deposits of Holocaust victims.

The question for the Swiss, though, is the motive. What Switzerland did in a continent at war was done for survival's sake, the Swiss argue. What Switzerland did, their critics assert, was done out of opportunism and amorality and should be paid for in both moral and financial terms.

Yet many Swiss refuse to accept the callow characterizations of their country's motives and object to the pressure from abroad to do otherwise.

"Swiss-bashing by outsiders does not help," Mr. Borer said. "A lot of Swiss feel treated in an unfair way. They feel we do everything we can and yet the criticism goes on."

Crispin Rodwell/Reuters

IRELAND VOTES — A policeman carrying a ballot box from a polling station on Inishfree island, off Donegal, on Friday after its eight voters made their choice in Ireland's general election. Late polls showed that the center-right alliance led by Bertie Ahern's Fianna Fail party could topple the government coalition of Prime Minister John Bruton. Eighty-four seats are needed to control the 166-member Parliament.

EMU: *Discord in Germany*

Continued from Page 1

pected to be a critical test of the willingness of Germany and France to maintain their commitment to introducing the single currency in 1999.

On Friday, the Sueddeutsche Zeitung, Bavaria's most influential newspaper, led its front page with a report that leading members of the Christian Social Union were in revolt over Bonn's pro-European position on currency union and were "unanimously" in favor of delaying the introduction of the euro.

"We all take the view, following the elections in France, that European monetary union should be delayed," an unidentified member of the cabinet of the Bavarian state government told the newspaper. The election in France of a leftist government, which has said it will seek softer qualification terms for the new currency, is seen by the party's faction in the Bavarian cabinet and in the state house assembly as a "monetary death sentence" for the euro, the newspaper quoted party members as saying.

"Within the party it is clear that we can no longer establish the euro in 1999," the Bavarian official told the newspaper.

Asked to comment on the newspaper article, Edmund Stoiber, Bavaria's conservative prime minister, said he saw only a "50-50" chance of a punctual introduction of the euro in 1999 if the newly elected French government adhered to its campaign promises to soften the selection criteria.

Mr. Stoiber, a political rival of Mr. Waigel's, stopped short of open rebellion, saying he was unwilling to demand a formal delay.

Even so, Mr. Stoiber said the chances of putting the euro in place by 1999 had became "plainly weaker." Any weakening of the criteria to meet the deadline would have "catastrophic consequences," Mr. Stoiber said. He added that it was no longer evident that a "consensus of stability" existed across the European Union.

Alois Glueck, Mr. Stoiber's parliamentary leader in the Bavarian assembly, said he saw increasing uncertainty in the Bonn government over the timely birth of the euro.

Mr. Waigel said, "We are not leading a discussion over a delay." He said his party stood by resolutions it made at its annual congress in early April, when it adopted the position that the fulfillment of the criteria determined the timing of the currency, a position that implicitly leaves room for a delay.

Mr. Waigel, who survived a no-confidence vote in the Bundestag on Wednesday, has alienated many of his political allies in the past two weeks with stop-gap proposals to patch the budget. Lawmakers harshly criticized the proposals and said they would cost them votes in national elections next year.

Other voices in Bonn are calling for looser interpretation of the Maastricht rules to ensure a timely start. Urging flexibility on the single-currency criteria, former Foreign Minister Hans-Dietrich Genscher warned that delaying the single currency would lead Bonn into "ice-cold isolation." Heiner Geissler, Mr. Kohl's deputy floor leader in Parliament, also called for a looser reading of the criteria Friday.

YANKS: *European Airlines Are Seeing an Edge in Battle-Tested American Managers*

Continued from Page 1

ish manager, Sir Colin Marshall, turned it from a bloated dinosaur into a lean and aggressive airline.

Yet Sir Colin, too, learned many of his tricks in the United States, where he worked for more than a decade in the car-rental business, first at Hertz Corp. and later at Avis Inc.

Some U.S. investors, impressed with changes at the European carriers, are already betting on them. David Bonderman, a principal of Air Partners of Fort Worth, Texas, which led an investment group that put $450 million into Continental Airlines to help bring the carrier out of bankruptcy in 1993, sank $39 million last year into Ryanair, a Dublin-based upstart airline.

With its no-frills, low-fare flights, Ryanair has been such a success that when it starts selling shares on the New York Stock Exchange later this year, analysts expect Mr. Bonderman's investment to double in value.

The hunt for American managers comes at a time of crucial change in the world industry. Like airlines elsewhere, European carriers are having to come to grips with the globalization of markets and increased competition.

So pronounced is the shift, and so aggressive have U.S. airlines been in responding to the challenge, that some executives say global experience, not cost-cutting skill, is what makes American executives so valuable.

U.S. airlines were the first to see "the full world as a market," said Gerald Greenwald, chairman and chief executive of UAL Corp., parent of United Airlines. "You don't need to be a rocket scientist to cost-cut."

A view of the globe as their apple is certainly something U.S. airline executives often stock in their baggage. Of the 17 years that Jeffrey Katz, Swissair's new operating chief, spent at American, a unit of AMR Corp., four were spent running the company's Sabre Travel Information Network, a global innovator that sells computer reservation services to hotels, travel agents and corporate travel managers in more than 70 countries.

The experience was, among other things, a crash course in the European way of doing things, as Sabre fought for turf in France and Spain, which allowed a virtual monopoly for Amadeus, a competitive system owned by airlines including Air France and Iberia of Spain.

Though Mr. Katz, who will become chief executive of the airline on Jan. 1, had spent time overseas, the first weeks at Swissair were a cultural shock. Managers converse in guttural Swiss German; executive meetings are in High German or in English, which Mr. Katz said he still prefers, despite his efforts to cram German.

Groomed in a world of global communications, he found Swissair's e-mail system old and cumbersome. "In a modern corporation it would be a handicap," he said. "How quick do I get analytical information? Many American airline companies dealt with that 10 years ago."

Mr. Katz, 41, views himself as a catalyst for change at Swissair. While he appreciates the airline's assets — a young fleet, a strong home market, a respected brand name and loyal customers — his first impression was of an organization unused to scrapping for turf.

"Airlines are a damned competitive business," he said, "and this is not a company where I get a sense that this matters, though it's going to have to."

Some analysts say part of the reason for hiring Americans, particularly at Swiss and German airlines, is to impress international investors.

With globalization, European airlines must rely increasingly on international capital markets for expansion, said Charles Donald, who follows the industry at UBS Securities in London.

"They want to be seen in the public eye as an international employer, to inject a sense of investor confidence," he added.

Sometimes, of course, the culture fights back. When the chairman of Air France, Christian Blanc, hired Stephen Wolf and Rakesh Gangwal, both veterans of United Airlines, he had to run interference for them against France's tough unions.

While Mr. Gangwal, as executive vice president for revenue management, built a hub-and-spoke system, and Mr. Wolf, as special adviser to Mr. Blanc, improved yield management and created a frequent-flier program, Mr. Blanc skirmished with labor.

Both American executives have since left to run USAirways, and the French carrier is not yet home free. But when asked whether the Americans had helped the airline, an Air France spokeswoman in Paris replied: "Absolutely. They were a large part of the renovation of the company."

ALGERIA: *Government Victory*

Continued from Page 1

any distortion, is an enormous progress and a great victory dedicated to the nation and future generations to build and strengthen democracy and the state of law," Mr. Benmansour said.

Opposition parties put a different spin on the results. They accused the government of stuffing ballot boxes, orchestrating pro-government votes in military barracks and illegally barring party election observers from public polling places, among other sins. They also suggested that the government had inflated turnout figures to bolster the credibility of the results.

"I doubt the official result will open the way for a solution to the crisis," Abdallah Djaballa, head of the Nahda Party, said in a brief interview Friday. "We have before us a long struggle."

Under the auspices of the United Nations, more than 100 international monitors are in Algeria to observe the elections, although their ability to do so effectively is questionable given the large security details that follow them everywhere they go.

But many of the reports of fraud appear to be credible, according to a member of the international team who spoke on condition of anonymity. In one instance, international observers at a polling station near Algiers grew suspicious when ballot boxes delivered from an army barracks were found to contain only votes for the pro-government National Democratic Rally, the source said.

ADULTERY: *Military Double Standard?*

Continued from Page 1

tery, disobeying an order and lying.

Mr. Cohen "can somehow put himself into General Ralston's shoes," said Senator Barbara Boxer, a California Democrat who said she, too, could forgive General Ralston. "But he couldn't fit himself into Kelly Flinn's shoes."

Many people agreed, however, that Mr. Cohen was right to try to end what he called the frenzy of accusations that the army opened when it set up a sexual misconduct phone line last year in an attempt track down rapists and other serious sexual offenders.

"Enough is enough," said Senator Christopher Dodd, Democrat of Connecticut. "We've got to make distinctions between sexual harassment and private matters between consenting adults." He said, however, that if Mr. Cohen forgave General Ralston, he should forgive Lieutenant Flinn, too.

General Ralston issued a statement expressing "deep appreciation" for the support he had received from Mr. Cohen and others. "I take full responsibility for my conduct some years ago and have worked diligently to learn from my mistakes," he said. "Our armed forces are composed of human beings that strive to meet the highest standards every day, but I am acutely aware of human strengths and human frailties."

Adultery is a crime in the military, under certain conditions open to subjective interpretation. It is rarely prosecuted unless accompanied by other crimes.

General Ralston, now 53, was a married colonel with 19 years of service when he had an affair with a married CIA employee 13 years ago. The affair "was fairly well known" at the time, an air force official said, but General Ralston told Mr. Cohen about it only this week after news organizations made inquiries about it.

General Ralston said the relationship lasted about a year during a time when he was separated from his wife, Linda, with whom he reconciled for a time before they divorced. That account differs from Mrs. Ralston's. She said in divorce papers that the affair continued for years after the reconciliation and was the primary cause of the divorce.

Lieutenant Flinn was single and two years out of flight school when she slept with a married civilian soccer coach and then lied to superiors about it.

The air force chief of staff, General Ronald Fogleman, told Congress that the Flinn case was not about adultery; because she had lied, he said, she could not be trusted to carry nuclear weapons on her B-52. In part because of the public outcry over her case, the air force allowed Lieutenant Flinn to leave the service with a general discharge that strips her of the right to ever again fly military aircraft.

Kenneth Bacon, a Pentagon spokesman, said the Flinn and Ralston cases were different because General Ralston's affair, which began when he and the CIA employee met at the National War College, did not undermine good order and discipline.

John Suzuawa Ed/The Associated Press

General Ralston: Officially forgiven.

INDONESIA: *Jakarta Strikes Back at U.S. Over Rights Criticism*

Continued from Page 1

December and spent time with Bishop Carlos Ximenes Belo, a co-winner of the 1996 Nobel Peace Prize. The human rights abuses were evident everywhere, Mr. Kennedy said when he introduced the bill in March.

The State Department urged Indonesia to move toward greater democracy after Mr. Suharto's party won a landslide victory in May 29 parliamentary elections. Poll monitors and minority parties claim the ballot was marred by vote-rigging and other irregularities.

Congressional scrutiny of U.S. relations with Jakarta has also been heightened by investigations into Asian business interests, including a prominent Indonesian banking family, over allegations of improper donations to the Democratic Party.

Mr. Alatas said the cancellation of the contract would remove "a potential stumbling block" in relations between the two countries as well as "difficulties for the Clinton administration."

The Clinton administration had offered the jets to Indonesia from 28 that were originally intended for Pakistan. The sale to Pakistan was blocked by a U.S. law forbidding military sales to that country because of suspicions that it was developing nuclear weapons.

Mr. Alatas said the military training program was "only a $2.5 million program. It is not that much it is not that important."

A diplomatic source said the military courses "are generally considered professional military courses for senior military members as opposed to technical courses."

The United States barred Indonesia from participating in the program in 1992 after security forces fired at demonstrators in the capital of East Timor, Dili, in 1991. Witnesses said up to 200 people died.

In late 1995, Washington reinstated Indonesia's participation in the program, which covers about 20 senior officers annually at a cost of $600,000.

(AP, Reuters)

Herald International Tribune
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Abacha's Ambitions

The recent military overthrow of Sierra Leone's elected government drew swift and justified condemnation across Africa. It defied the continental trend toward democracy and threatened to re-ignite a civil war in which at least 10,000 people died before the now deposed president, Ahmad Tejan Kabbah, achieved a negotiated peace six months ago.

But African leaders have been far too quick to endorse Nigeria's attempt to reinstall President Kabbah by military force. The growing inclination among African countries to be more active in addressing crises like this should be welcomed by an outside world that has too often ignored or aggravated the continent's problems. Yet in signing on to the dubious agenda of the Nigerian military regime, other African countries risk making an already bad situation even worse.

Nigeria's dictator, General Sani Abacha, did not order his troops into action out of any commitment to democratic principles. Nor is the general a plausible opponent of military coups, having engineered several himself.

While happy to accept any diplomatic benefits that might come from his role in Sierra Leone, the Nigerian leader seems mainly interested in establishing his own country as West Africa's dominant military power and regional policeman. That role has also involved Nigerian forces in a prolonged attempt to impose a solution on Liberia's warring factions.

Making Nigeria a dominant regional military force not only serves General Abacha's grandiose ambitions. It also keeps restless army officers busy abroad instead of plotting against his rule in Nigeria.

The first Nigerian military moves in Sierra Leone went badly. After Nigerian naval forces bombarded the capital city, Freetown, local troops attacked and overran Nigerian positions. Nigeria has since sent in reinforcements and new fighting seems imminent unless Ghana's efforts to work out a negotiated solution quickly succeed.

If African countries are determined to seek a military solution to this crisis, they should carefully define the mandate for outside troops and seek approval from the UN Security Council. As for General Abacha, if he really wants to become a champion of democracy and civilian government, he should begin at home.

—THE NEW YORK TIMES

Sex and the Military

On its face, the American military seems to be dealing inequitably with sexual and sex-related offenses. The army puts a sergeant in jail for 25 years. A first lieutenant gets drummed out of the air force. A two-star general loses one of his stars. But a four-star general gets to be considered for chairman of the Joint Chiefs of Staff.

Is that about right? Well, yes and no. The kind of coercive sex that then-Staff Sergeant Delmar G. Simpson forced upon trainees in his direct chain of command is not comparable in any way to an affair between a general, temporarily separated from his wife, and a consenting civilian adult. First Lieutenant Kelly Flinn's affair with the husband of an enlisted woman, and her subsequent lying about the matter, also take her to a different place.

But there is inconsistency and — to put it mildly — confusion in the military about how to deal with adultery and related sexual matters. On Tuesday a respected two-star major general of the army, John E. Longhouser, announced that he was retiring early, and at one rank beneath his current standing, because it had been revealed that five years ago he'd had an affair. He said he was separated at the time; he has since reconciled with his wife, but no matter — Secretary of Defense William Cohen agreed — the much-decorated general had to go, especially since he was commanding officer at Aberdeen, where others more junior had been disciplined.

"We have very high standards that we insist upon for the military," Mr. Cohen said on Tuesday. "And when those standards are breached, then there are consequences that flow from it." But the statement turned out to be too hasty and categorical. The next day it was revealed that a respected four-star general of the air force, Joseph W. Ralston, had had an affair 13 years ago, apparently while he was separated from his wife (whom he subsequently divorced). This time, Mr. Cohen vowed to "draw a line" against a "frenzy" of sexual allegations and keep General Ralston as leading candidate to become chairman of the Joint Chiefs, the president's top adviser on military matters. "We need to come back to a rule of reason instead of a rule of thumb," Mr. Cohen said.

Well, he's right about that. The American military is a peculiar and, on the whole, successful institution that has good reason to interfere in some personal matters that civilians would rightly consider off-limits to their employers. But the purpose of such interference is not to command morality; it is to ensure the good morale and discipline of the troops. Relationships that interfere with that discipline — especially between commanders and those they lead — should be prohibited and punished, regardless of rank. As for relationships that have no such impact, the military should adapt its "don't ask, don't tell" policy.

Part of the difficulty here stems from the telephone hot lines that military officials established to take complaints about sexual abuse. The intention was to provide a channel of communication for service men and women who felt they no longer could trust their chain of command — a reasonable goal. Now the hot lines seem to have evolved into a funnel for malicious gossip and anonymous backstabbing; it shouldn't be allowed.

Even the original case of Sergeant Simpson bears some re-examination. He was convicted of rape (although none of his victims alleged the use of force) and sentenced to 25 years in prison. Against Staff Sergeant Vernell Robinson Jr., who was part of the same predatory sex ring at Aberdeen Proving Ground in Maryland, the army dropped, without explanation, its charges of rape and won a six-month sentence for lesser sexual misconduct. Why such a discrepancy?

Even the most reasonable rules will have to be applied with judgment and discretion, and there will always be abuses and inconsistencies. But the present situation — an almost total prohibition on adultery, selectively enforced — seems guaranteed to promote unfairness. If the Ralston case drives that point home, it will have served a purpose.

—THE WASHINGTON POST

A Hearing for Weld

What is striking about so many of Senator Jesse Helms's uses of his considerable power as chairman of the Senate Foreign Relations Committee is his patent lack of confidence in the persuasiveness of his own views. One could understand that the North Carolina legislator would have political differences with the governor of Massachusetts — any governor, even a Republican one such as William Weld. But to deny Governor Weld a committee hearing on his prospective nomination as President Bill Clinton's ambassador to Mexico on the basis of those differences? Without allowing the governor a forum in which to contest the things being held against him? Without giving the senator's colleagues on the Foreign Relations Committee, let alone the full Senate on the floor, the opportunity to make their own inquiry and to submit their own judgment?

No doubt Governor Weld is, by Senator Helms's lights, ideologically incorrect. The senator includes among his concerns the governor's stands on abortion and on the medical use of marijuana. But these are hardly issues that go anywhere near the heart of an ambassador's responsibilities. Governor Weld's experience in law enforcement and political life, on the other hand, is specifically relevant to the major Mexico post.

The president intends to submit the Weld nomination anyway. Any other course would mark a cave-in that would only encourage further defiant denials of democratic procedure. Governor Weld deserves a hearing so that his full qualifications can be measured. President Clinton deserves the opportunity to get on with his conduct of the foreign policy of the United States.

—THE WASHINGTON POST

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The Euro Won't Buy a Genuinely United Europe

By Tony Judt

NEW YORK — The first two lessons from the Socialist victory in France's elections last Sunday are obvious, and mostly of interest to the French. One is that President Jacques Chirac and the Gaullist movement are in trouble, revealing a dangerous sinkhole on the right wing of French politics. The second is that any serious attempt to reduce France's generous social and welfare provisions will be overwhelmingly rebuffed by the French public.

A third lesson, however, will have broad consequences for Europe and the world. It is that the goal of uniting Europe around the euro, the common currency envisaged under the Maastricht treaty, has been revealed as politically unattainable.

Paradoxically, it was the Socialist President François Mitterrand who was the driving force behind the Maastricht agreement in December 1991. Like many of the previous stages in the European Community's forging of an "ever closer union" over the last 40 years, the treaty was economic in form but political in purpose.

In the aftermath of German unification, the French were anxious to bind their powerful neighbor firmly within existing European institutions. Chancellor Helmut Kohl of Germany assented readily, but only on the condition that the move to a single European currency be achieved at no cost to Germany's cherished monetary stability. If the German currency was to be folded into the euro, then the euro would have to be as firm as the mark.

But the criteria under which member states are allowed to join the monetary union — notably the requirement that their annual budget deficit not exceed 3 percent of gross domestic product — were arbitrarily set nearly six years ago and represent an unrealistic and excessive concern with monetary stability.

Such terms might have made sense in an era of sustained high economic growth. But in today's straitened circumstances they oblige governments to pass unpopular deflationary measures and spending cuts — and thus destabilize national politics.

Furthermore, the race to the euro has encouraged political dishonesty and bad faith among the European member states. To qualify for membership in their own club, the French and more recently the Germans have attempted budgetary sleight of hand — the French by mortgaging state pension plans and the Germans by unsuccessfully trying to revalue their central bank's gold reserves.

This has soured relations with smaller nations like Spain and Italy, which the Germans have sanctimoniously lectured on the virtues of financial stringency. As a result, the move to a closer monetary union is actually driving Europeans further apart.

Contrasting social and economic practices cannot be obliterated with the wave of a magic monetary wand.

Thus the Italian government of Romano Prodi has taken great pains and considerable political risks to bring its budget in line with the Maastricht criteria. Yet German politicians and bankers continue to cast doubt on Italy's long-term economic reliability, Germany's own budget deficit and soaring unemployment notwithstanding.

This has led the Italians, along with Greeks and Spaniards, to suspect that the rigidity of the terms for the euro have more to do with German domestic politics than any grand design for a united continent.

To many, the criteria seem little more than a device to keep Mediterranean countries out of the monetary union as long as possible.

From the perspective of candidates for future membership in the European Union, the prospect is equally depressing. Even if one or two former Communist states could technically qualify for membership under the Maastricht rules today (which is quite possible), they could not continue to pursue the difficult economic and social transformations they have begun without eventually increasing government spending of the sort precluded by the criteria.

The likely outcome is less a unified continent than a concentric series of European "clubs," a multiclass Europe that will nourish disagreements and resentments in years to come.

Finally, by defining a strong euro as the main objective of union, and pegging painful social reforms and welfare cutbacks to that goal, Europe's leaders have played into the hands of critics from the political fringes.

All across Europe, "Brussels" is now attacked by demagogues as the symbol of rules and requirements that create local unemployment, cuts in government service and economic stagnation.

Critics assert: "We are the ones who stand for those who have no voice in Brussels, for voters fearful of change (and foreigners), for those who look closer to home for their security and identity. We shall reassert the policy-making autonomy of the nation-state."

In France the extreme-right National Front and the Communists, together with various dissident politicians who share their dislike for "Europe," gained nearly 30 percent of the vote.

In Austria the Freedom Party, a Europhobic group, has attracted voters from social-democratic strongholds including Vienna, where it won a quarter of the votes in municipal elections last year.

If the painful budgetary reforms and tax increases adopted by Italy's center-left coalition prove in vain and the nation is kept out of monetary union, an angry reaction can be expected there, too.

At the very least we shall hear demands across the continent for a "social" Europe rather than a monetary one — the same vague promise that was held out to French voters by the new prime minister, Lionel Jospin, and is finding an eager audience among Germany's floundering Social Democrats. Likewise, it is only in some such social union that we can expect Tony Blair's Britain to play a full part.

The lesson is clear. A European Union founded on a strong and inflexible currency — the extrapolation to the rest of the continent of the postwar German "miracle" — is no longer realistic or prudent.

An ever-closer union, of the kind that seemed so admirable and necessary in 1957 when the Treaty of Rome was drawn up, may no longer be the best way to ensure peace and stability in Europe.

Melding the economies of countries as different as Austria and Britain, France and Portugal, Sweden and Greece (not to mention Poland or Hungary) is both impossible and unwise: Contrasting social and economic practices are born of long-standing political and cultural differences that cannot be obliterated with the wave of a magic monetary wand.

There are alternative, less monolithic models of cooperation. The Swiss confederation, in which real political authority and the power to make major economic decisions are shared among autonomous regions, might be a more reassuring model.

If Europe is ever to move toward genuine cooperation in foreign policy and military coordination, both of which require the active cooperation of sovereign states, then the union will need to scale back both its rhetoric and its current monetary obsessions.

But what, some will ask, if global market forces make economic "harmonization" inevitable? That, however, is the last lesson of the recent French election: "Global market forces" don't vote.

The writer, director of the Remarque Institute at New York University, contributed this comment to The New York Times.

The Right's Austerity Fixation Is Passé, and Not Just in France

By William Pfaff

PARIS — France's election last Sunday of a Socialist-led left-wing alliance means that the left now is in power in five of the seven leading industrial nations. It may soon take power in a sixth, Germany, where Chancellor Helmut Kohl's situation is distinctly insecure.

The right is in disarray, to be polite about it. As a consequence of the right's electoral fiasco in France, President Jacques Chirac's personal power vehicle, the Gaullist RPR party, now will either pass under the control of Mr. Chirac's critics and opponents, or they will establish their own party and leave the RPR mutilated and ruined. The racist National Front will pick over the pieces, and scavenge what it can.

In Britain, the defeated Conservative Party is trying to find a new leader who can reconcile pro- and anti-European Conservatives. The chances for a lasting success seem slight; the Tories' famous appetite for power at the cost of principle may allow them to fudge the European issue temporarily, but the division between those for and against European involvements is probably too basic to be overcome.

The modern era of Tory dominance in Britain, which began with the fall of David Lloyd George's last Liberal coalition in 1922, may be over for good.

Republicans in Washington are in better condition, but the American right is nonetheless divided into warring factions. With key Republican policies shoplifted by Bill Clinton, the right's chances against a Gore or Gephardt Democratic candidacy in 2000 are problematical.

Why is this so? I would say that the right has fatally allied itself to an economic ideology that made sense in the conditions of the early 1980s and brought the right to power, but which has lost its pertinence in the conditions that now prevail. Few, except the French electorate, have noticed.

Foreign comment on the French election has been all but unanimous, in Europe as well as North America, saying that French voters chose "the past," "discredited solutions," "tax and spend," "wishful thinking," "romanticism."

That means the French rejected the Chirac government's version of American free-market policies. This actually seems very sensible of them, because that system does not work in the European countries with powerful traditions of social democratic and Christian democratic policies.

What is backward about demanding growth-promoting government programs, and a European monetary policy that promotes employment? Unemployment, and the deteriorating quality of employment, have become politically the most important phenomena in most of today's Western industrial economies.

Robert Heilbroner, the distinguished American economic commentator, wrote in the Los Angeles Times Book Review last Sunday that "the most disturbing effect of today's global economy has been the unprecedented shift in the distribution of incomes between capital and labor," adding that capitalism today may be in the process of inflicting severe and lasting damage upon itself because of the harm its current practices and doctrines have inflicted on labor.

What's backward about demanding growth-promoting government programs?

In 1980, inflation was the West's most important economic problem, producing the erosion of individual savings and severe budget deficits. In Britain, long-tolerated abuse of union power was wrecking government after government, and constituted a huge obstacle to investment and job-creation.

The response was government austerity, dictated by monetarist doctrine, the liberation of markets and confrontation with union abuses. Margaret Thatcher, newly come to power, and her American admirer, Ronald Reagan, were the Marx and Lenin of what their followers considered a revolution. (Mr. Reagan's subsequent recourse to deficit financing demonstrated a Stalin-like flexibility with the party line.)

However, economies are dynamic, not static, as are societies and their problems. During the later 1980s, and in the 1990s, market and monetarist thought hardened into an intolerant ideology, promulgated as appropriate to every circumstance and every time.

This was quite untrue. Keynesianism had been the appropriate response to the mismanagement of Western economies in the first decade after World War I. The Keynesian-inspired Bretton Woods system was a brilliantly successful response to conditions in Europe and in the international system after World War II — when most politicians and economists, it should be noted, feared that depression and mass unemployment would return.

The Bretton Woods system was destroyed by Lyndon Johnson's financing of the Vietnam War by exporting inflation, and by Richard Nixon's termination of the dollar's link with gold, leaving it to float. International inflation was the result. Monetarism provided an answer.

Those are not today's problems and answers, although nearly everyone has been going on as if they were. The French electorate seems to be the first politically influential body of thinkers to realize that "nearly everyone" is wrong.

What now will follow cannot, obviously, be foreseen. The cabinet announced this past week by the new French prime minister includes serious people and has a popular mandate to find a response to the blight of unemployment. A super-powerful economic ministry has been created.

Should the French succeed, their example would influence the rest of Western Europe.

The new French government may fail, of course. However these problems do have solutions, if one lifts one's eyes from the received doctrine. It is, first of all, essential to renounce the belief that contemporary unemployment, and the degeneration of conditions of employment, are fatality — and government "the problem" rather than indispensable to the answer.

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Canada, Boring? On the Contrary, It's Busily Falling to Pieces

By Charles Krauthammer

WASHINGTON — A few years ago, The New Republic magazine held a competition for the most boring headline in history. The name of the contest — the benchmark for dull — was: "Worthwhile Canadian Initiative."

The key adjective was "Canadian": boring, bland, safe. I regret to report that this is no longer true. No country in the process of imploding has the right to be called boring. True, the excruciatingly slow and almost civilized way it is doing so is characteristically Canadian. But the reasons it is falling apart should be of great interest, especially to Americans.

Last Monday, Canada held a national election. The results show a country in an advanced stage of fracture.

Canada used to have three major parties. They represented different ideologies: There was a party of the left (the New Democratic Party), the center (the Liberals) and the right (the Progressive Conservatives).

No longer. The NDP and the PC were effectively wiped out in the 1993 parliamentary elections and have only made feeble comebacks.

What is left?

There are still three major parties. But they are regional and ethnic. The Liberal Party has survived and, with a bare majority in the new Parliament, remains the ruling party. But it did so by winning two-thirds of all its seats in one province, Ontario. (Canada has 10.) In Ontario, the Liberals won 101 of 103 seats.

Ontario is the geographic and economic center of Canada. To one side is Quebec; to the other, the West. In Quebec, the majority of seats in Parliament was won by a radically ethnic and separatist party, the Bloc Québécois. Its platform is the separation of Quebec from Canada. It sends its delegation to the national Parliament in Ottawa for the principal purpose of breaking up the country.

To the other side of Ontario are the Western (prairie) provinces stretching all the way to the Pacific. The Reform Party, the second-largest party in the Parliament and now the official opposition, swept 70 percent of the seats in the West. It won not a single seat anywhere else in Canada.

The Reform Party does talk about lower taxes and less government, standard conservative fare. But its real attraction is that it is anti-Quebec. The establishment, it charges, has been trying to keep Canada together with too many concessions to Quebec.

The soft Easterners would give Quebec the status of a "Distinct Society" within Canada and extraordinary control over its language, culture, immigration and other functions. Reform rejects special status. Its platform is equality for all the provinces — read: Get Quebec off its pedestal — and if Quebec doesn't like it, it can go jump in the Atlantic.

On Monday, the Liberals won. Ontario — bland, reasonable, accommodating — rules. For now. But the Reform Party will rail and Quebec will soon have another one of its independence referenda.

The separatists have lost twice. But they lost the last one by less than one percent. And they vow to keep holding them until they win, at which point Canada will indeed collapse. The next referendum is probably less than two years away.

Why is this important to us in America? We know what can happen when parties and politics become radically regionalized, as in, oh, the election of 1860. Now along comes Canada to remind us again what politically inspired, politically encouraged, politically hyped ethnic and regional differences can lead to: They can threaten the very existence of a country as well-ordered and civil as Canada.

For the last 20 years, Canadian governments have been trying to satisfy Quebec's demands by granting it more and more autonomy. Quebec has, for example, its own language police. It goes around fining people for putting up linguistically incorrect signs. If the French words on your shingle are not at least twice the size of the English ones, you are in trouble.

Hence, too, one of the triumphs of French Canadian separatism to date: the abolition of the apostrophe. (French does not have them.) Eaton's, Canada's Macy's, is now Eaton. Liberté!

There is more, of course. Laws to force immigrants to send their kids to French-speaking schools. Quasi-diplomatic status for Quebec at meetings of French-speaking nations. But all of this will not do. Quebec's French-speaking majority is not appeased. It wants more. It wants independence.

Quebec should be an object lesson to those American politicians who thrive on the promise of the multilingual, multicultural nirvana awaiting us if only we grant special rights and status to America's various languages, races and ethnicities. And the disaster awaiting us would be even greater than Canada's.

Why? Because Canada has one saving grace. For the most part, the French live in one place, the English in another. Canada's groups enjoy a neat geographic distinctness. They can have themselves a divorce and build a fence.

We can't. Americans are hopelessly physically enmeshed with each other. Canada can afford its disastrous indulgence in ethnicity. It has a way out.

We don't.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Lightning Strike

PARIS— A singular effect of lightning on a railway train was noted on the Lyons-Saint-Paul to Montbrison line on Friday [June 4]. A passenger train was traveling at full speed when suddenly there was a flash of lightning and the train apparently became enveloped in flame. At the same moment the driver noticed that the speed of the train had been reduced by more than two-thirds. The man put on steam and the train again traveled at its former rate.

1922: Gorky's Health

PARIS — Will Maxim Gorky, the famous Russian writer, be allowed to come to France to take the treatment for his health which only certain French watering resorts in the South can efficaciously cure? Gorky is suffering from serious intestinal complications and nervous troubles, contracted under the severe regime of the Bolsheviks in Russia. He and his friends are anxious for him to come to France, but up to the present the French Government has refused to grant the necessary visas.

1947: Letter Bombs

LONDON — Scotland Yard and British postal authorities intercepted nine more "letter bombs" today [June 6] including five addressed to Prime Minister Clement Attlee, war-time prime minister Winston Churchill and three other Labor cabinet ministers. Last night the Fighters for the Freedom of Israel (the Stern Gang) announced their agents in Italy are mailing the explosive letters. Twenty "letter bombs" so far have been discovered in London addressed to famous British political leaders, including Foreign Secretary Ernest Bevin and former Foreign Secretary Anthony Eden.

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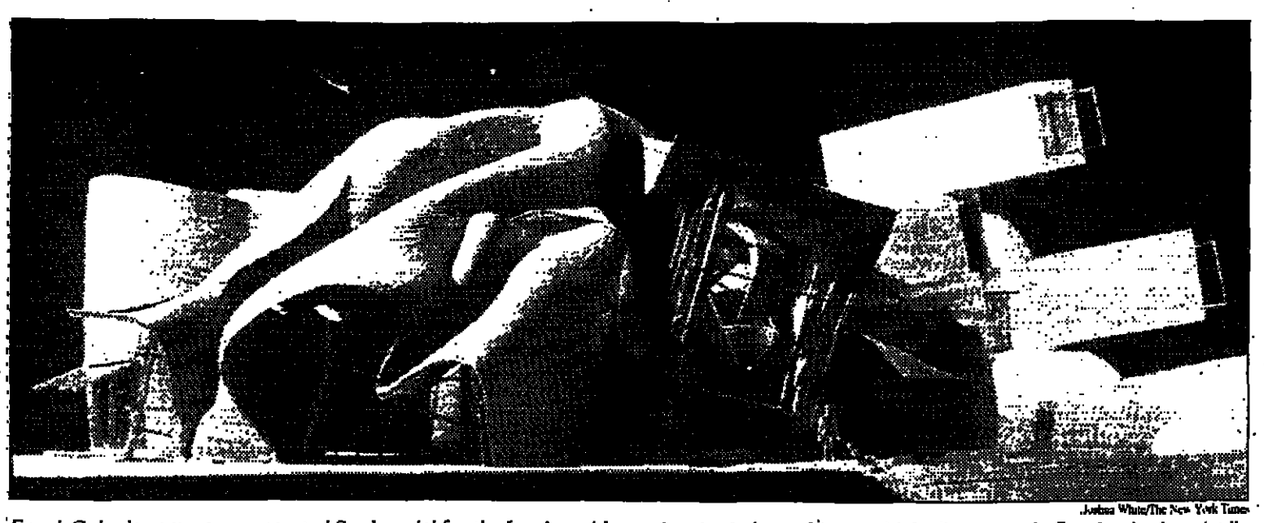

Joshua White/The New York Times

Frank Gehry's computer-generated final model for the Lewis residence, inspired, the architect said, by "an armada floating in the mist."

A Fantasy House That Never Was

By Patricia Leigh Brown
New York Times Service

NEW YORK — It began as an idolatrous crush. Soon, it had escalated into an elaborate tango of flirtation and desire. It was an "odd and asymmetrical love relationship," one critic observed, that after 11 years was never consummated. It was an architectural affair to remember. And remember and remember.

In commissioning Frank Gehry to concoct a fantasy house overlooking a golf course in suburban Cleveland, Peter B. Lewis was in many ways living out the pipe dreams of homeowners everywhere: being blessed with a seemingly limitless money and a great architect to shape their reveries.

"I spent a lot of money, but I had a lot of money," said Lewis, a Cleveland entrepreneur and philanthropist, analyzing, a touch wistfully, the unorthodox 40,000-square-foot (3,700-square-meter), $82 million Xanadu that Gehry spent more than a decade designing but never got to build. Like a kitten with a ball of string, Lewis watched his dreams unfurl, unsure where they would lead.

Even in these tell-all times, the spectacle of one of the world's pre-eminent architects and his deep-pocketed patron publicly dissecting a failed dream house is novel enough, not to mention that it was part of the Peter B. Lewis Critical Issues Forum last month in the Peter B. Lewis Theater (renovated with Lewis's $10 million donation) at the Guggenheim Museum.

Gehry: "He kept saying, 'I want Fallingwater. Go for it!' " referring to the 1938 Frank Lloyd Wright masterpiece in Pennsylvania.

Lewis: "I kept talking about making it greater than Fallingwater. But I didn't know what that meant."

From early concepts in 1984 as a villagelike cluster of conventional rectangles, what had been a 22,000-square-foot compound — a two-bedroom house, guest house and pool — doubled in size, evolving into an otherworldly, free-form sculpture not immediately identifiable as a house. In the 11 years, the architect honed many of the ideas and techniques that have since found life in other buildings, including the Guggenheim Museum in Bilbao, Spain, set to open this fall. Like the Lewis house, its floor plan resembles a flower blossoming from the center.

The question of whether Lewis, now 63, actually intended to build — or was just enjoying the ride — burned a hole through the Guggenheim forum called "Desiring Construction/Constructing Desire: The House That Gehry Didn't Build." But the obsessive saga of the phantom house-that-might-have-been, the project filmed from its inception by documentary crew hired by Lewis, raises the scrim on the fragile ecology of the architect-client relationship, in this case ending in an amicable divorce.

As Gehry observed with some sadness, Lewis never "viscerally connected" with his own house. Despite his wealth and enthusiasm, or perhaps because of it, he remained profoundly uncertain about what he wanted, more infatuated perhaps by the idea of the house and the interplay with its stars — Gehry and his collaborators Philip Johnson, Claes Oldenburg, Frank Stella, Richard Serra and Larry Bell, to name a few — than the actual house.

"I didn't know what the rooms were going to look like," he cheerfully admitted at the forum. "And I didn't care a lot."

Most architectural postmortems tend toward the back-slapping "aren't we brilliant" variety, which makes Lewis's willingness to discuss what he called the "screw-ups" before 100 witnesses and a panel of scholars all the more unusual. But it's consistent. The chairman of the Progressive Insurance Corp., the country's sixth-largest auto insurance company, is widely known as a creative renegade in a staid corporate milieu, a supporter of such causes as the medical uses of marijuana.

He has amassed one of the largest country's largest corporate art collections, because he believes art encourages people to "think outside the lines." In a self-revealing unpublished corporate history, Lewis, who is divorced, chronicled his reasons for turning to psychotherapy (note to Gehry: it has to do with difficulties maintaining a lasting relationship).

His interest in the talking cure — albeit in a seminar at the Guggenheim — seemed to bring out the psychoanalyst in everybody. In a reference to the house, Kurt Forster, a professor at the Federal Institute of Technology in Zurich, said: "It's like a fertilized egg in a deep freeze. Somebody's fathered something but doesn't know whether he wants it."

By his own admission, Lewis was smitten. "I fell in love with Frank Gehry," he said. "There's no question about it."

In 1984, Lewis decided to "give up my bachelor pad," as he put it, and buy nine acres of land with a stream running through. He described his taste at the time as "an intersection between being excitingly original and tastelessly garish." After hearing Gehry lecture, he called him up and asked, "How'd you like to do the greatest house you ever did?"

Thus began what Lewis called "11 years of wonderful moments," in which, as in all great romances, "one thing led to another." Gehry, who remains a friend, designed numerous plans and models for the on-again, off-again project.

THE final design was inspired, Gehry said, by "an armada floating in the mist," with an undulating roof canopy that mimics the ripples of luffing sails.

Gehry, who describes himself as "a lefty-liberal dogooder," said he felt increasingly uncomfortable with the scale of the project, and at one point suggested that Lewis build a $5 million house and give the rest to charity.

"I don't think it was a building Peter would have been comfortable in, a master bedroom with 40-foot ceilings and a skylight," he said.

But Lewis is still shuffling the deck. "This could be the most exciting thing I ever did," he said. "Maybe it still is."

Wandering the World In Brooklyn's Museum

By Holland Cotter
New York Times Service

Chester Higgins Jr./The New York Times

The Egyptian Gallery of the Brooklyn Museum of Art.

NEW YORK — Let us now praise famous museums, or at least a single great one: the Brooklyn Museum, recently rechristened the Brooklyn Museum of Art.

Between this year and next, the museum will celebrate two anniversaries: 175 years as a public institution, and a century of residence in its splendid Beaux-Arts home on Eastern Parkway.

Such longevity is a feat in itself. But the museum hasn't just survived; it has moved ahead. It just hired a new director, Arnold Lehman, formerly of the Baltimore Museum of Art, to give the deep, dark future a honeymoon glow. And it continues to present first-rate shows of fabulous art.

Some of these are high-profile visitors. Last year's "In the Light of Italy: Corot and Early Open-Air Painting" arrived from the National Gallery of Art in Washington. And "Monet and the Mediterranean," waiting in the wings for October, comes from the Kimbell Art Museum in Fort Worth.

But many of the most memorable offerings, like the groundbreaking "Converging Cultures: Art and Identity in Spanish America," are entirely home-grown. And fresh re-installations of African, Egyptian and Chinese art from the museum's permanent collection have amounted to superbly managed survey shows in themselves.

Showcasing off what's in the cupboard is crucial, because the museum has holdings of astonishing quality and scope, from the indisputably major (Egyptian sculpture, American 19th-century painting), to the unique (gatherings in late Persian and Spanish colonial art), to the offbeat (a fully furnished 17th-century farmhouse and a Surrealistic bouquet of Schiaparelli gowns).

Together they are worth any amount of bridge or tunnel traveling to see, and there's no better time to see them than now. The museum is relaxing between big shows, so there's nothing to distract attention from the galleries themselves.

And art lovers routinely traumatized by mob scenes at the Met will find the Brooklyn Museum almost eerily serene. (Low attendance has been, as it happens, a problem for years, and the museum's recent name change is an attempt to sharpen its institutional profile.)

The museum started life as a public library in 1823 (Walt Whitman was one of its later librarians), at a time when "New York" meant Manhattan, and Brooklyn was an independent village a ferry ride away.

By 1842, the library's collection — cobbled together in eclectic, magpie American fashion — included paintings and sculptures along with models of machines and natural-history specimens. By the 1880s, the library had become the Brooklyn Institute of Arts and Sciences, with departments ranging from anthropology to zoology. Fifteen years later, the present McKim, Mead & White building got under way.

If all had gone well, the result would have been the largest museum complex in the world at the time, leaving the Louvre in the dust. But things changed: In 1898, Brooklyn was incorporated into New York City, and the competitive zeal that had fueled its cultural ambitions cooled. Construction on the building more or less stopped within a decade, and the existing structure, white-elephantine though it is, is a mere fragment of a grander design.

BUT at the same time, other things were perking up. Under a series of smart curators in the departments of fine arts, ethnology and natural history, new infusions of art poured in: work from cultures ancient and modern, Western and non-Western, in a wide variety of forms, including paintings and sculptures, fabrics and ceramics, prints and photographs.

By the time the museum redefined itself exclusively as an art institution in the 1930s, an encyclopedic collection was in place.

Choice samplings from almost every aspect of that collection are on view in the museum today. And they are arranged over five floors in what — 50 years ago, at least — was considered chronological order, i.e. "primitive" art at street level and contemporary work way up there under the rafters.

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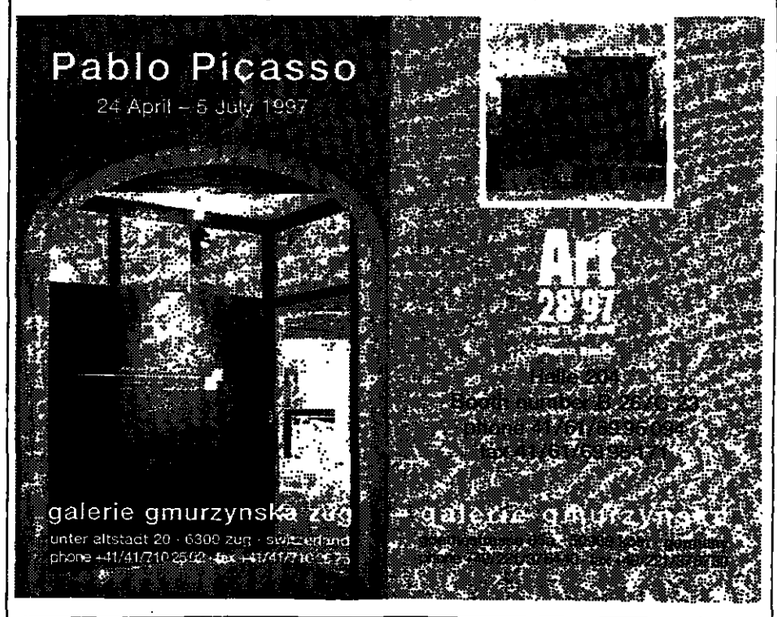

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Pre-Columbian Art Market Booms

International Herald Tribune

SOUREN MELIKIAN

NEW YORK — There is a poignant lure to cultures from the distant past of which glimpses can be caught through scattered works of art no longer understood because all else is lost. In Central and South America, the loss goes further. The very identity of the human groups who made most of them eludes us.

The sale with many remarkable works held at Sotheby's on May 28 came as a dazzling reminder of the havoc done in recent decades, in the form of so-called commercial digging.

Right at the beginning, a miraculously well preserved small mantle of square shape from the Paracas Peninsula in Peru fascinated the attendance. Stylized creatures with monkey-like feet and masks suggestive of felines are embroidered on deep red bands running around the edges and two central bands standing out on the dark purple ground. Very few complete mantles have come out of the necropolis which specialists place some time between 200 B.C. and A.D. 100.

This one, last seen in public in 1974, triggered a furious bidding match won by the New York dealer Sam Merrin, probably on behalf of a client. At $398,500, it multiplied the high estimate fivefold.

Virtually nothing is known of the people who wove such textiles or molded earthenware vessels with highly sophisticated shapes and motifs sparingly engraved. A jar with a cylindrical neck that has human features and arms engraved on the body had an expressionistic ferocity well-attuned to modern aesthetics. It was bought by a French collector for $29,900. The meaning of the object remains as impenetrable as that of the textile.

THE site of Trembladera in the Jequetepeque Valley in northern Peru offers even weirder enigmas. Small standing figures in burnished earthenware are handled in a comic-strip vein that gives them the appearance of robotic creatures from outer space. Credited to the "Late Chavin" culture, they yield no clue to their meaning nor to the identity of their makers. Two of these sold for $10,350 and $8,050, proving that lack of understanding does not equate with lack of desire.

Did the same people, whoever they were, also make such utterly different objects as the highly elaborate "effigy bowls," as specialists would have us believe?

One of these bowls in the form of a monstrous head with a worried expression, holding in its mouth the head of a feline, heavily repaired, was nevertheless sufficiently intriguing to find a taker at $4,600.

Similar uncertainties bedevil our grasp of the ancient cultures of Mexico. The difference is that they are better concealed. Labels sanctified by time-honored usage, however mistaken, entertain an illusion of knowledge where there is none.

Michael D. Coe, the dean of Meso-American studies, recently remarked that those we call the "Olmecs" are wrongly named. "Olmeca," an Aztec name picked up by modern scholars, describes a group that lived centuries later. Our "Olmecs," whose culture lasted from 1400 to 550 B.C., are nameless. Their language and metaphysical beliefs are not known either.

All that can be said for sure about an admirable black earthenware bottle associated in the entry with the site of Las Bocas and dated "ca. 1200-900 B.C." concerns the size (it is 17.8 centimeters high, about 6½ inches) and the technique — burnished to a fine black sheen, it is partially carved in champleve.

Whether or not there is reason to believe that "the hand-paw-wing motif may symbolize one of the composite creatures of Olmec iconography such as the were-jaguars" is a matter of personal inspiration. Undaunted, a collector paid $16,100.

Should we believe the specialists who credit the same culture with making, around the same time, figural earthenware sculptures?

A reclining man wearing a turban of very Middle Eastern appearance could be seen in the sale. With its chin resting on its hand, it is cleverly molded. A lovely burnished sheen has been given to the ivory-colored slip covering the pink clay. It touched a chord among those attending and ended up at $28,750, triple the high estimate.

So did another dozen or two pieces without ID papers. What Sotheby's described as a "Chupicuaro Polychrome Mask, Late Preclassic ca. 300-100 B.C." is in effect a complete enigma. The circular convex mask with small openings for the eyes and a bigger one for the mouth is painted with red geometrical motifs on a pinkish ocher ground. Which human group conceived this strange apparition and what it means has yet to be found out. It soared to $41,400, way above the high estimate.

The irrelevance of labels that serve as fig leaves to total ignorance was perhaps at its most laughable when these applied to works reflecting daily reality. Nothing could be more movingly evocative of seething communal life in a vanished Indian world of 2,000 years ago than the clay models of two-story houses from the Nayarit state in Mexico. Small figures chat in the upper story, sit outside on the ground with their backs to the wall, gazing at invisible passers-by, or snoozing amid wandering poultry. One such model with intersecting roofs was of a type hitherto unknown. It brought $23,000.

Not all of these ancient cultures are quite as elusive. Huge strides have recently been made in Maya studies. The pictorial script has been solved by Coe, building on the foundations laid down by the Russian specialist in Egyptian hieroglyphs Yuri Knorosov, and later by the American scholar Linda Schiele. His book, "Breaking the Maya Code," was published last year by Thames & Hudson.

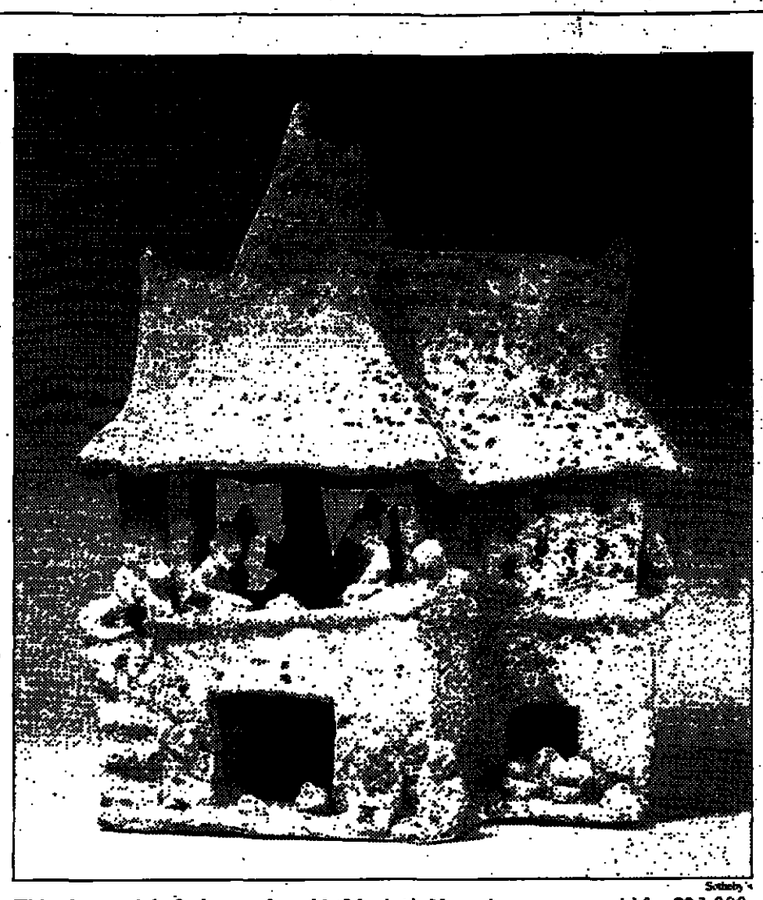
YET, much still escapes us. An extraordinary figure of a cross-legged man carved out of motley green stone around 250-450 is one of only six comparable Mayan sculptures. Is this a ruler? Or is it a deity — such as the Lord of the Universe? Speculation goes on, but bidders did not wait for the answer to push it up to $332,500.

By far the most fascinating piece for the insight it yields into Mayan culture at its highest point was a painted plate considered to belong to the "Late Classic" phase, 550 to 950. A scribe or painter seated cross-legged bends over the leaves of a codex. He wears a plumed headdress. Similar plumes project from the edge into the image. They suggest the presence of a second otherwise invisible artist, as Stacy Goodman, director of Sotheby's Pre-Columbian Department notes in the entry. If so, the unique representation might well depict a painter-calligrapher's studio, the only one known. Broken and mended, but complete, with only limited touching up along the breaks, the plate made it to $112,500.

Like a Mayan circular slate mirror carved on the back with an elaborate bird motif ($13,800) and a Veracruz small carving in low relief showing a standing dignitary holding a horseshoe stone yoke, the pictorial plate was bought for $23,000 by an American collector of 19th and 20th century art who is new to this field.

"With the breakthrough in understanding the language and, at least in part, the iconography, Maya art has come into its own on the world scene," says Fatma Turkkan-Wille, consultant to the Pre-Columbian department.

This is happening at the very time when destruction is reaching unprecedented levels. At a seminar on "Conserving Cultural Heritage," organized last month by the School of American Research in Santa Fe, a grim account of looting as a form of subsistence in impoverished Indian areas exploited by dealers was given by David Matsuda. As long as all public institutions do not repudiate the acquisition of undocumented archaeological finds, things can only get worse. Give it another two decades and not much of it will be left.



Sotheby's

This clay model of a house, found in Mexico's Nayarit state, was sold for $23,000.

Of City Politics And Museums

By Keith Bradsher
New York Times Service

DETROIT — The Detroit Institute of Arts, the United States's fifth-largest art museum, is crumbling because of financial problems. There is imminent risk that sections of the outer walls will fall away from the corroded steel frame. During snowstorms, condensation dribbles down the inside of the single panes of thin glass in the gallery windows.

A block away, the same city government that owns the art museum has just finished building the nation's largest museum of black history and culture. The double-paned glass dome over the rotunda at the Museum of African-American History is designed to admit light while keeping the building at a steady temperature and humidity. The towering decorative masks over the main entrances are partly plated with 14-carat gold.

The visible contrast partly reflects the difficulty of raising money for old cultural institutions and the relative ease of fund-raising for new buildings. But behind that lies a remarkable example of how race, class, labor unions and big-city politics can affect cultural institutions. These issues have echoes in other cities, but seldom are the fights as nasty or as public as they have been in Detroit lately.

The tensions were most visible during the failed attempt this spring by Mayor Dennis Archer to transfer daily management of the art museum to its mostly suburban benefactors. Those patrons, who already furnish the bulk of the museum's budget and were prepared to donate more, agreed to guarantee the jobs and salaries of all municipal workers at the museum. The museum itself would have remained city property.

BUT the museum's 64 unionized janitors, guards and workers objected vehemently to losing their status as civil servants. At a tumultuous special session in March, the City Council sided with the workers and blocked the management transfer. Union officials told council members that Detroit, the nation's largest city with a black majority, should not transfer control of one of its cultural jewels to a group of mostly white suburban residents.

But some of the same issues of race and class have helped the black history museum win broad public support. Voters have approved two bond issues to cover most of the $38.4 million in construction costs.

The ample budget has produced a breathtaking museum that derives its emotional power from photographs, videos and clearly worded explanatory panels. Yet many of its traditional African masks are on loan from the art museum. By contrast, the art museum has a remarkable collection of masterpieces, but with money short, there are few signs to explain the context or importance of the artworks.

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World Bank Increases Lending To Russia

Bridge News

WASHINGTON — Citing a "window of opportunity" created in Russia by a cabinet shuffle that placed staunch market reformers in power earlier this year, World Bank officials announced plans Friday to increase lending to the country in 1997-98, raising it by the end of the period to $12.4 billion, from $6.4 billion.

The bank's board approved six loans to Russia totaling $884.6 million. Johannes Linn, the bank's vice president for Europe and Central Asia, said the Russian government's commitment to accelerated reform had persuaded the bank to increase its lending.

Mr. Linn noted that during the board meeting Thursday, there was "significant support for the bank's approach of increased lending to support accelerated reform."

But he warned that the political risks in Russia remained "significant," and emphasized that the bank's increased lending would be highly conditioned on the successful implementation of further reforms.

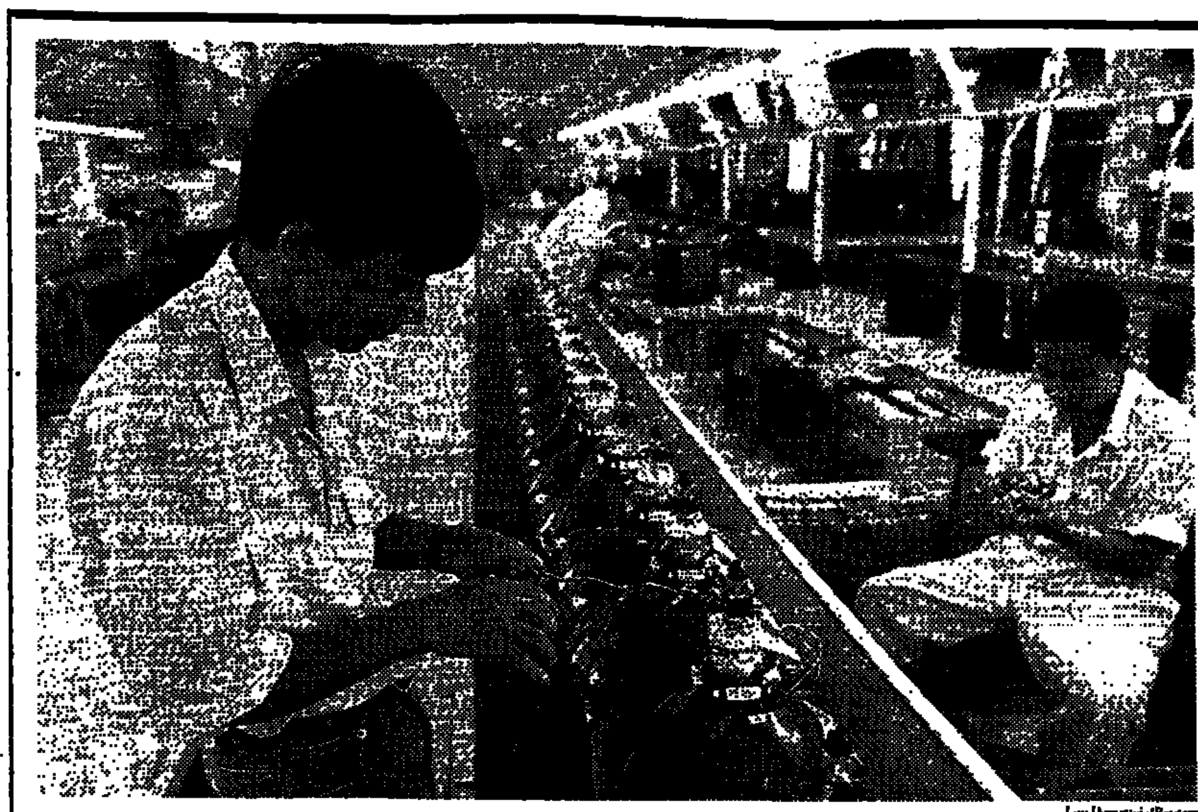
For each loan, he said, "the conditions will be very specific and time-bound."

Mr. Linn said conditions are set in collaboration with the International Monetary Fund, and include such tasks as restructuring the tax system, reforming the pension system, accelerating privatizations and energy-sector reform.

For example, he said the bank's board on June 26 will consider an $800 million social-sector adjustment loan that will only be disbursed when the Russian authorities submit a plan for "significantly restructuring the pension system."

The implementation of such reforms are the keys to increased bank support, Mr. Linn said, although he did not play down the risks.

"There are significant risks in the medium term that the reform coalition could unravel," he said, but for the moment, the Russian authorities' "commitment is there and steps are being taken."



Lou Dematteis/Reuters

Vietnamese working at a JVC plant in Ho Chi Minh City, a sign of the influx of foreign investment.

Youth Lures Investors to Vietnam

Despite Frustrations, Foreign Companies Tempted by Potential

By Kevin Sullivan
Washington Post Service

HO CHI MINH CITY — It was Saturday night and the Saigon Superbowl was buzzing. Pop music blared over the crashing of bowling pins. All 32 alleys were filled with cash-flush young Vietnamese.

Elsewhere in the two-story complex, the huge video arcade was full and there were lines at all eight tables in the billiards parlor. Families drank Coke and watched "Flintstones" cartoons on TV screens in the food court, which smelled of hamburgers and fries, or shopped in a score of stores carrying American products.

While much of Vietnam, including the neighborhoods just outside the mall's doors, is still a land of dirt roads and flimsy shacks, this year-old, $13.5 million complex, built by a Singapore-based company with a Vietnamese partner, is a symbol of one of Asia's fastest-growing economies.

It is also a sign of Vietnam's demographics: More than 60 percent of the population of 75 million is younger than 25, the vast majority born after the Vietnam War ended in 1975, and young people are eager to try what the outside world has to sell them.

"We don't care if it's American or Chinese or anything else; if it's fun and it's new, we will pick it up," said Le Thuy Anh, 28, who works in Coca-Cola's corporate office here and was surveying the Superbowl scene.

Vietnam is booming. While its per capita gross domestic product is still just $301, it is growing at a rate of more than 9 percent a year, second only to China among Asian economies. More than $10 billion in direct foreign investment in the past decade has fueled much of the growth.

Ho Chi Minh City, still known to almost everyone here as Saigon, is the heart of that optimism, with the local economy growing at a 15 percent a year. It has become one of Asia's hottest cities, drawing foreign corporate muscle that is betting billions on the future of a nation with a young work force and 91 percent literacy.

Despite a population of about 5 million, Ho Chi Minh still has the feel of a small colonial city. Its broad boulevards are shaded by tall trees and lined with lovely white buildings built by French colonists.

Ho Chi Minh City's young people have long since abandoned their parents' conical straw hats for Motorola cell phones, Spanish tapas and Corona beer. They mix with young foreign lawyers and investors at places like the Apocalypse Now nightclub, where the young Turks of business shoot pool and dance past dawn beneath ceiling fans painted to look like upside-down combat helicopters.

See YOUNG, Page 15

British Central Bank Lifts Rates by 0.25%

Increase Is First Under New Rules

By Erik Ipsen
International Herald Tribune

LONDON — The Bank of England increased its base lending rates Friday by a quarter of a percent, to 6.5 percent, in the first exercise of its month-old power to set monetary policy.

Analysts who had been almost evenly divided on the chances of a rate increase noted that the balance in the end may have been swung by the bank's eagerness to prove its independence and anti-inflationary mettle after the new Labour government gave it control over monetary policy.

It marked the third increase since last fall, and the second since the Labour government came to power in early May. But it was the first time that the central bank had changed interest rates without being instructed to do so by the government since the bank was nationalized in 1945.

"The bank cannot afford to miss the 2.5 percent inflation target set for it, but that still does not mean that they will be willing to cut the economy off at the knees," said Robin Marshall, an economist for Chase Bank.

Instead analysts saw Friday's announcement as a harbinger of the more predictable and less political monetary policy regime that the chancellor of the Exchequer unveiled exactly one month earlier, days after taking office. At that time he passed responsibility for monetary policy on to the central bank and its new nine-member monetary policy committee, five of whose members will come from within the bank itself.

By choosing well regarded centrists earlier this week to fill the four posts reserved for outsiders, Chancellor Gordon Brown further reassured the markets of a professionally managed anti-inflationary campaign.

"We will still have some uncertainty," said Don Egginton, an economist at the Daiwa Institute of Research. "But in the future it will be driven by uncertainty over the state of the economy, not over the state of politics as well."

On Friday, uncertainty was in short supply. In glaring contrast to the state of affairs on the other side of the Channel, Britain's economy is widely seen as growing too fast for its own good. Even with the consensus calling for interest rates to climb another half percentage point on top of the half-point rise in the last month, the economy is still expected to grow by 3 percent this year.

Retail sales are booming, up 4.3 percent in April, and unemployment continues to tumble at an average clip this year of 60,000 people a month. It now stands at 5.9 percent of the work force.

Economists and officials have also cast wary eyes over a tidal wave of conversions of building societies into public corporations. This year alone that demutualization is expected to pump as much as £35 billion ($57 billion) into consumers' pockets — a sum equivalent to 2 percent of the entire economy.

Originally the Bank of England and others had calculated that the vast bulk of those windfalls would be safely socked away in savings accounts. Increasingly though, anecdotal evidence of such things as a boom in reservations for around the world boat trips suggests that Britons' will to spend may have been underestimated.

The nation's exporters, meanwhile, have also surprised the forecasters. Instead of sagging under the weight of a steep run-up in the value of the pound against the currencies of its European trading partners in the last year, exports have continued to grow, adding more fuel to the economic expansion.

The pound's rise has made its mark on inflation, which now stands at 2.5 percent and is widely forecast to continue falling for the remainder of the year, as a stronger pound cuts the price of imported raw materials and finished goods.

"The rationale for the decision to raise interest rates is all clearly laid out in the Bank of England's latest inflation report," said Chris Wright, economics director at Barclays Bank.

The move pushed other banks to raise rates. Barclays increased its base lending rate by a quarter-point, to 6.5 percent. Halifax, Britain's largest lender, said it would raise its mortgage rate by 35 basis points, to 7.95 percent, a move that will probably be followed by most other banks and building societies.

ECONOMIC SCENE

Software Industry Reports on Its Clout

By Steve Lohr
New York Times Service

NEW YORK — The computer software business has risen rapidly to become America's third-largest manufacturing industry, paying wages twice the national average, a study has asserted.

The study provides the most detailed portrait to date of the jobs and wealth generated by the fast-growing software business. The industry-sponsored research was presented in Washington by a group of computer executives led by Bill Gates of Microsoft Corp. and Andrew Grove of Intel Corp.

The study is partly a lobbying tool. It is intended to emphasize the rising importance of the software industry at a time when Congress is considering legislation on a number of issues that affect the business, like export curbs on data-scrambling software and new laws to protect intellectual property.

After presenting the study at a press conference, the computer executives fanned out for meetings on Capitol Hill and at the White House.

"We see the study as a framework for saying to leaders in Washington that software is a major engine of the modern economy," said Robert Holleyman, president of the Business Software Alliance, a trade group that sponsored the research. "And as we move to a new generation of software — software used and distributed on the Internet — it is essential to have policies that encourage innovation and protect intellectual property."

The study, conducted by Nathan Associates, an economic consulting firm in Arlington, Virginia, found that the American software industry generated revenues of $102.8 billion last year. Since 1990, the software industry has grown at a rate of 12.5 percent a year, nearly 2.5 times faster than the U.S. economy as a whole.

The computer industry is often regarded as a textbook example of the rising "wage gap" — an increasing difference between the high incomes enjoyed by skilled workers in fields like software and the far lower incomes of other workers.

That view is confirmed by this study. The 619,400 Americans employed in the software industry last year earned an average of $57,300, or more than twice the national average of $27,900.

Workers in the packaged software business, used in personal computers, did even better; they averaged $64,500.

"The average wages are phenomenal," said Robert Damuth, director of policy studies for Nathan Associates. "The incomes are extraordinary because software is a knowledge-intensive industry that is thriving, and workers are getting compensated for their skills."

Calculating size and employment is tricky in most industries, but especially so in high-technology fields. The industry classifications used in government statistics were set long ago. Those definitions have not been revised to keep up with the changes in fast-paced industries.

Software, for example, has been defined as a service for years, but when new classifications are adopted in 2000 it will be defined as a manufacturing industry.

Still, Mr. Damuth said his firm tried to be reasonably conservative in its definition of the software industry. It included only three of nine possible categories in the broad grouping of government industry statistics called "computer programming, data processing and other computer services."

In comparing software with other manufacturing industries, Nathan Associates employed a value-added measure, which excludes an industry's purchase of other goods used in production. The value-added calculation more accurately measures an industry's contribution to the economy rather than counting the production of its suppliers as its own.

On the value-added basis, software ranked third after automobiles and electronics. In a 1995 study, software ranked fifth, behind the aircraft and pharmaceutical industry as well as autos and electronics.

The total direct and indirect employment of 2,065,000 million people last year, the software study projected, will reach 3,435,000 million by 2005 — or nearly 3 percent of American workers.

CURRENCY & INTEREST RATES

Cross Rates

June 6

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9465	3.1455	1.125	0.3332	0.1141*	—	5.4515*	1.3383	1.6867*	1.4065	1.3295*
Brussels	35.755	58.38	20.6375	6.1155	2.0994*	18.346	—	24.715	0.3056	25.83	24.465*
Frankfurt	1.7367	2.8365	—	0.2964	0.1018*	0.8889	4.8466*	1.1987	1.4998*	1.2586	1.1842*
London (a)	1.6375	—	2.8236	9.4842	2,771.35	3.1640	58.0340	2.361	187.7598	2.2526	238.015
Madrid	146.887	238.228	84.447	25.038	8.596*	75.082	4.0836	100.640	126.745*	106.403	—
Milan	1,704.35	2,780.65	982.65	291.86	—	873.50	47.502	1,149.40	14.745	1,235.70	11.422
New York (b)	—	1.6330	1.7353	5.8054	1,705.00	1.9505	35.59	1.4487	114.40	1.3803	146.825
Paris	5.807	9.5015	3.3736	—	0.3403*	2.9907	0.1635	4.0199	5.0621*	4.2532	3.995*
Tokyo	115.75	188.88	66.93	19.95	0.681	59.06	3.245	79.99	—	84.05	0.7994
Toronto	1.3836	2.2505	0.8019	0.2376	0.8013*	0.7133	0.3887*	0.9543	1.2085*	—	0.948*
Zurich	1.452	2.38	0.839	0.2486	0.0852*	0.7466	4.0883*	—	1.2574*	1.0480	0.992*
1 ECU	1.1277	0.6854	1.9622	6.6142	1,937.17	2.2083	40.4625	1.6459	128.76	1.5556	165.603
1 SDR	1.3822	0.8623	2.4023	N.Q.	2,363.86	2.7083	49.5438	N.Q.	160.94	1.9086	203.127

Closings in Amsterdam, London, Milan, Paris and Zurich. fixings in other centers: New York and Toronto rates at 4 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	276.15	Mex. peso	7.959	S. Afr. rand	4.482
Australian $	1.3141	Hong Kong $	7.7435	N. Zealand $	1.4522	S. Kor. won	890.50
Austrian sch.	12.232	Hung. forint	184.35	Norw. krone	7.1855	Swed. krona	7.7969
Brazil real	1.0721	Indian rupee	35.785	Phil. peso	26.38	Taiwan $	27.90
Chinese yuan	8.3221	Indo. rupiah	2431.0	Polish zloty	3.23	Thai baht	23.91
Czech koruna	33.13	Irish £	0.6775	Port. escudo	175.37	Turkish lira	142260
Danish krone	6.6187	Israeli shek.	3.4064	Russ. ruble	5767.5	UAE dirham	3.671
Egypt. pound	3.3897	Kuwaiti dinar	0.3004	Saudi riyal	3.75	Venez. boliv.	485.50
Fin. markka	5.2165	Malay. ring.	2.512	Sing. $	1.4306		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6296	1.6254	1.6183	Japanese yen	115.40	114.87	114.36
Canadian dollar	1.3763	1.3735	1.3704	Swiss franc	1.4539	1.4484	1.4434
Deutsche mark	1.7347	1.7309	1.7272				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

June 6

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3⅛ - 3¼	1¼ - 1⅜	6½ - 6⅝	3¼ - 3⅜	⅜ - ½	4 - 4⅛
3-month	5¹³⁄₁₆ - 5¹⁵⁄₁₆	3⅛ - 3¼	1⅜ - 1½	6⅝ - 6¾	3⅜ - 3½	½ - ⅝	4⅛ - 4¼
6-month	5⅞ - 5⅞	3⅛ - 3¼	1½ - 1⅝	6¾ - 6⅞	3¼ - 3½	⅝ - ¾	4⅛ - 4¼
1-year	6⅛ - 6¼	3⅜ - 3½	1⅝ - 1¾	6⅞ - 7	3⅜ - 3½	¾ - ⅞	4⅜ - 4½

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5⅝	5½
90-day CDs dealers	5.71	5.75
180-day CP dealers	5.68	5.68
3 month Treasury bill	4.91	4.97
1-year Treasury bill	5.38	5.44
2-year Treasury bill	6.08	6.17
5-year Treasury note	6.37	6.47
7-year Treasury note	6.42	6.53
10-year Treasury note	6.49	6.61
30-year Treasury bond	6.78	6.88
Merrill Lynch 30-day RA	5.03	5.02
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.44
1-month interbank	0.54	0.54
3-month interbank	0.56	0.56
6-month interbank	0.64	0.64
10-year Govt bond	2.74	2.75
Germany		
Lombard rate	4.50	4.50
Call money	3.05	3.08
1-month interbank	3.15	3.15
3-month interbank	3.18	3.18
6-month interbank	3.22	3.22
10-year Bond	5.81	5.84

Britain		
Bank base rate	6½	6¼
Call money	6½	5⅝
1-month interbank	6⁹⁄₁₆	6½
3-month interbank	6⅝	6¼
6-month interbank	6¹³⁄₁₆	6¾
10-year Gilt	7.05	7.12
France		
Intervention rate	3.10	3.10
Call money	3⅛	3⅜
1-month interbank	3¼	3¼
3-month interbank	3⁵⁄₁₆	3¼
6-month interbank	3⅜	3⅜
10-year OAT	5.70	5.74

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	344.25	343.75	+ 2.00
London	343.80	344.00	+ 1.85
New York	345.60	345.20	+ 0.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Aug.)

Source: Reuters.

OSA

Hurry! Enter Now For Your Share of US$1.2 Billion in the July El Gordo

• A Tax-Free Jackpot Prize of U.S.$256,200,000 in Cash • Winning Odds are 1 in 6
• *And...* You've A Chance to Win 100 Bonus Tickets if You Enter Before June 25, 1997

That's right! Over US$1.2 Billion in lump sum, tax free cash - plus an astounding US$256,200,000 in a single Jackpot Prize - are given away every year in the El Gordo Lottery - Spain's richest National Lottery.

Imagine the things you could do when you win all those millions of dollars...Buy a new home? Quit your job? Send your kids to college? Take a trip around the world?

Now, here's how you can realize your dreams. El Gordo, which means "The Fat One", *holds 2 Draws each year under the close* supervision of the Government of Spain. In each Draw, the Jackpot Prize is a huge **U.S.$256,200,000** - or more - probably the biggest prize money to be paid to a single winner in lottery history.

And you have the best chance in El Gordo of winning huge cash prizes. Your odds of winning are 1 in 6, that's 800 times better than in any other National Lottery in the world.

You really have to be quick to order your El Gordo Lottery tickets because the next Draw will be on July 5, 1997 - just a few weeks from now. With the biggest prizes and the best odds of getting a share of the US$1.2 Billion, you can understand how fast the tickets are selling for the July El Gordo Draw.

Order Now For a Chance to Win 100 Bonus Tickets - Using the Entry Confirmation Certificate below, order the number of tickets you wish to receive - from a minimum of US$75 for 1 ticket to US$695 or a Book of 10 tickets so you increase your chances of winning a large cash prize.

Then fill in your name and address clearly as well as your payment details and mail the Entry Certificate to Overseas Subscribers Agents at the address shown.

As soon as your Entry Certificate is received, you'll be sent by return a Confirmation of Purchase. Before the final Draw, you'll receive a notice with your lucky El Gordo ticket numbers.

Now here's a Special Offer for you: If you send your completed Entry Certificate and Bonus Draw Voucher (at right) before June 25, 1997, you'll have a chance to win 100 El Gordo Bonus tickets. (Entries received after the deadline will be automatically included in the December 1997 Draw.)

Remember you only have a few weeks left before the El Gordo U.S.$1.2 Billion July 1997 Draw. So send your completed Entry Certificate now together with your payment well before the deadline. Act now for a chance to bring home *those millions. Buena Suerte (Good Luck!)*

Playing is Guaranteed Safe and Secure

El Gordo is under the control of the Spanish Government. Your tickets will be deposited in escrow at Banco Central Hispano Americano, one of Spain's largest federally-chartered banks. When you win, your prize money will be transferred to you in U.S. Dollars - awarded to you in the full amount and completely free from Government tax.

BONUS DRAW VOUCHER
100 FREE EL GORDO TICKETS
(please print)
NAME: ____
ADDRESS: ____
CITY: ____
COUNTRY ____
PHONE: (____) ____
*You must reply by the June 25,1997 deadline date for a chance to win an additional 100 El Gordo Lottery tickets.
(Enclose This Voucher With Your Entry Certificate)

NON-TRANSFERABLE ENTRY REGISTRATION CERTIFICATE

EL GORDO US$1.2 Billion Dollar Lottery

☑ *YES!* I want the opportunity to do the things I've always dreamed about. I'm accepting this offer to enter the July El Gordo Draw. I understand the odds of winning a prize in Spain's richest National Lottery Draw worth US$1.2 Billion dollars are 1 in 6 and that prizes are free of Spanish taxes and are distributed in one lump sum!

Name: ____
Address: ____
Fax: (____) ____
Telephone: (____) ____

PLEASE SEND ME:			US$
☐	1 TICKET	(decima)	for just $75
☐	2 TICKETS	(decimas)	for just $139
☐	3 TICKETS	(decimas)	for just $209
☐	4 TICKETS	(decimas)	for just $275
☐	5 TICKETS	(decimas)	for just $365
☐	BOOK OF 10 DECIMAS		for just $695

HT310

Your Entry Must be Received By June 25,1997 to be Accepted in the July 1997 Draw
* Entries received after this date will automatically be entered into the December 1997 Draw.

I am enclosing payment or authorizing a credit card charge as follows: *(Tick as Appropriate)*
Please charge my: ☐ American Express ☐ Visa ☐ MasterCard ☐ Diners
Card No: ____
Exp. Date: ___/___ Signature: ____

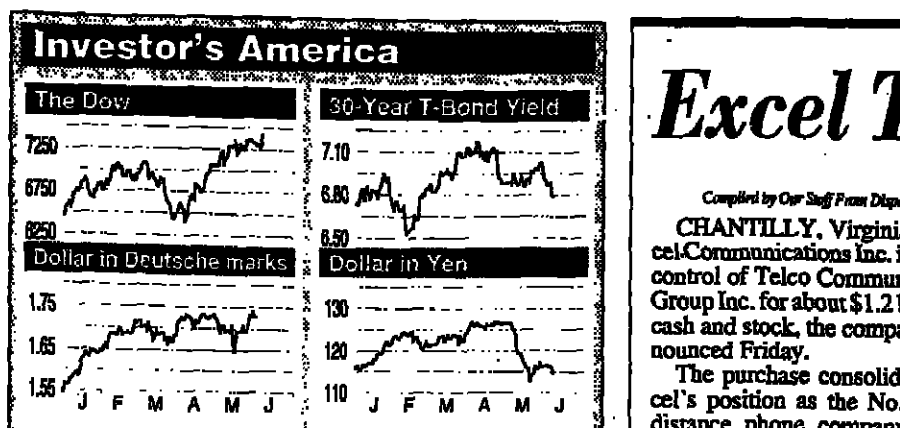
OR: Enclosed is my ☐ Cheque or ☐ Bank Draft for US$____ Payable to: OVERSEAS SUBSCRIBERS AGENTS
(Major convertible currency cheques accepted including South African Rand. Must be payable in currency of country in which drawn. Cash in most currencies is also accepted.)

Complete and mail this entire Entry Registration Certificate along with payment to:
OVERSEAS SUBSCRIBERS AGENTS
PRIORITY CENTER
NIEUWEJIDS VOORBURGWAL 86
1012 SE AMSTERDAM, NETHERLANDS
TEL: + (31) 20 6383519 E-MAIL: enm@skylnet.net

For fastest service, charge your credit card and FAX to + (31) 206383171

OSA is a Lottery Service Company independent of Government. All entries are processed through Agents licensed by Government authorities.

Investor's America



Exchange	Index	Friday @ 4 P.M.	Prev. Close	% Change
NYSE	The Dow	7435.78	7305.29	+1.79
NYSE	S&P 500	858.01	843.43	+1.73
NYSE	S&P 100	837.16	822.84	+1.74
NYSE	Composite	448.13	441.68	+1.46
U.S.	Nasdaq Composite	1404.85	1389.51	+1.10
AMEX	Market Value	614.65	610.76	+0.64
Toronto	TSE Index	6492.28	6452.10	+0.62
São Paulo	Bovespa	11333.83	11104.37	+2.07
Mexico City	Bolsa	4154.02	4107.47	+1.13
Buenos Aires	Merval	802.40	788.31	+1.79
Santiago	IPSA General	5672.51	5679.03	-0.11
Caracas	Capital General	7240.80	7150.19	+1.27

Source: Bloomberg, Reuters — International Herald Tribune

Excel Takes Control of Telco

Compiled by Our Staff From Dispatches

CHANTILLY, Virginia — Excel Communications Inc. is buying control of Telco Communications Group Inc. for about $1.2 billion in cash and stock, the companies announced Friday.

The purchase consolidates Excel's position as the No. 5 long-distance phone company in the United States, with $2 billion in sales and 6.3 million customers.

In late trading, Telco was up $4.25 at $26.25, and Excel was up $1.875 at $20.625.

Excel also said it was increasing its stock buyback plan to 10 million shares from 2 million.

Excel said Telco shareholders will receive 0.7595 common shares and $15 in cash for each Telco common share, giving it about 80 percent of the new company once the transaction is complete.

Dallas-based Excel's access to the Telco network will better position the combined company to continue with plans to enter the $100 billion local telephone market and ultimately provide a package of local, long-distance and wireless services, the companies said.

Excel buys phone service and then sells it to its residential customers, while Telco runs a long-distance network. The combined company will take on AT&T Corp. and the other principal long-distance carriers and hurt WorldCom Inc., the No. 4 company, which sells time to Excel.

"What's critical is owning your own network," said Thomas Meagher, an analyst at Ferris Baker Watts. "This brings Excel the assets."

Excel said it had secured a $1 billion line of credit from Lehman Brothers, about half of which will be used to pay cash to the Telco shareholders and refinance existing Telco debt.

"This merger represents a significant strategic move for Excel as we continue to implement our vision of becoming a leading provider of communications products both domestically and internationally," said Kenny Troutt, chairman.

Excel said that it expected costs to fall $100 million and earnings to increase in the first year after the acquisition is completed. It also forecast that capital spending would fall.

(AP, Bloomberg, Reuters)

Jobless Report Sends Stocks to Record High

Compiled by Our Staff From Dispatches

NEW YORK — Stocks shot to a record close Friday as bond yields dropped on signs that interest rates might not rise soon and as investors grew more confident that corporate earnings will rise.

The Dow Jones industrial average closed up 130.49 points at 7,435.78, a record. Its previous record was set May 27 at 7,383.31.

Advancing issues led decliners by a 2-to-1 ratio on the New York Stock Exchange. The Standard & Poor's 500-stock index finished up 14.58 points, at 858.01, and the Nasdaq composite index rose 14.80 points at 1,404.85.

Stocks drew on the bond market for their gains after an upbeat assessment of the economy by Treasury Secretary Robert Rubin, who asserted that the "probability is very high that inflation will remain at low levels."

The benchmark 30-year Treasury bond rose 1 7/32 to 98 2/32, lowering its yield to 6.78 percent from 6.88 percent Thursday.

Investors took comfort from the unemployment report for May, which showed that the jobless rate had fallen to 4.8 percent but that the number of new jobs, at 138,000, was lower than expected. The report's inflation measure, average hourly earnings, showed a smaller-than-forecast rise of 4 cents.

Economists said the figures made it less likely the Federal Reserve Board would raise rates when it next meets July 1 because they do not show an overly robust economy.

"The market feels better about the next month's meeting," said Michael Bird, managing director in equity trading at Dain Bosworth Inc. "These numbers weren't terrible."

Banking shares, which do best when interest rates are low and de-

U.S. STOCKS

mand for loans is high, were among the biggest gainers, with NationsBank rising 1¾ to 63½, and J.P. Morgan up 2⅜ to 111⅞.

Drug, health and beverage stocks also rose as investors snapped up shares of companies whose profits do well no matter how the economy is faring. Merck rose 3⅛ to 92⅜ and General Electric gained 1⅞ to 62⅛.

"We're in a stable economy that's not-too-hot and not-too-cold, and earnings growth hasn't really slowed down much," said Jim Margard, chief equity strategist at Rainier Capital Management. "We could have a good rally this summer."

Shelby Davis, chief investment officer at Davis Selected Advisers, said: "We're in one of these perfect worlds, and no one can quite see an end to it. Profits are the lifeblood of the stock market, and profits are going to be maintained."

Technology stocks also gained, with Dell Computer up 4 7/16 to 112⅞, Compaq gaining 4⅜ to 104 and Intel rising 3 23/64 to 146½.

(Bloomberg, AP)

CIBC Might Pursue Oppenheimer

Compiled by Our Staff From Dispatches

NEW YORK — Canadian Imperial Bank of Commerce's CIBC Wood Gundy Securities Corp. is in talks to buy Oppenheimer & Co. for about $500 million in the next month, a source said Friday.

The acquisition has been reviewed by the board of the Canadian bank's parent, the source said.

Oppenheimer's president, Nathan Gantcher, said last month that the company was still for sale to a commercial bank, after talks with PNC Bank Corp. over its offer for about $500 million fell through. Those talks were the third unsuccessful effort at selling Oppenheimer in two years.

Mr. Gantcher said the company was in no rush to be acquired and would hold out for the best offer.

Oppenheimer is the No. 31 U.S. securities firm in terms of capital, with about $320 million in shareholders' equity. Revenue for the year that ended in April was $800 million, generating pretax profit of $70 million.

The talks come amid a series of takeovers in the U.S. securities industry as banks merge with securities firms to gain a bigger share of the $100 billion-a-year business of selling stocks and bonds and arranging mergers. *(Bloomberg, AFX)*

Very briefly:

Avis to Launch Stock Offering

WASHINGTON (Bloomberg) — Avis Inc., the car rental company now owned by HFS Inc., filed Friday for an initial public offering of stock, planning to raise as much as $250 million.

The company is offering 75 percent of its stock to the public in a sale that comes six weeks after a first-time stock offering by its rival, Hertz Corp. The proceeds would place the total market capitalization of Avis at about $333 million.

Avis, the second-largest car rental company in the world behind Hertz, did not say how many shares it planned to sell.

• **General Motors Corp.**'s parts plant in Oak Creek, Wisconsin, faces a threatened strike by the United Auto Workers union that could swiftly cripple GM's North American production of cars and trucks. The union notified the company that it may strike if a new local contract is not negotiated.

• **The New York Stock Exchange** and the Nasdaq Stock Market said they would close in observance of Martin Luther King Jr.'s birthday on Jan. 19, starting next year.

• **PepsiCo Inc.** will name James O'Neal to the new position of president and chief executive officer of its Frito-Lay International snack foods unit.

• **BCE Inc.'s Northern Telecom Ltd.** unit said it would hire 5,000 workers in Canada and spend an additional 250 million Canadian dollars ($180 million) on research and development in the next four years.

• **Marvel Entertainment Group Inc.** can temporarily stop making $4 million monthly interest payments while the comic-book and trading-card publisher tries to pull itself out of bankruptcy, a judge in Wilmington, Delaware, ruled.

• **FPA Medical Management Inc.**, a physician practice management company, agreed to buy the closely held company **HealthCap Inc.** of San Diego in a stock swap on terms that were not disclosed.

Bloomberg, AP

DATA: *U.S. Unemployment Rate Hits 24-Year Low of 4.8% but Still Fails to Ignite Inflation Fears*

Continued from Page 11

sharply from current levels as long as it seems that inflation is not a problem, even though such low unemployment has raised fears that scarce workers will demand big pay increases. Such raises would lead to higher spending and encourage companies to pass along the wage demands to consumers in the form of higher prices.

Bond yields began falling sharply as speculation about the future of the single European currency grew in New York.

An apparent split in the German government about the starting date of the single currency as well as the victory by French leftists in elections Sunday made dollar-based investments seem like a haven, according to Marvin Zonis, a consultant in Chicago.

"There is no question that the American market is going up because foreigners see it as a good bet in relation to their own markets," he said. "This is a safe haven."

"Certainly," said David Resler, chief economist at Nomura Securities International, "the French election has thrown a larger element of doubt into the timetable, and it's not surprising to me that people are starting to question the outlook."

Still, he said, the Wall Street rally could not be entirely attributed to foreign investors, and the May employment report also did not warrant a major change in market sentiment.

"What do we know that we did not know before?" he said. "Not much. The economy is still generating decent employment."

He said after taking into account the revisions, the data on job creation was in line with economists' expectations.

At MMS International, David Ethridge, director for currency analysis for the Americas, said investors had been keeping significant

FOREIGN EXCHANGE

amounts of money in cash and this was now coming into the securities markets.

Although the Federal Open Market Committee, the arm of the central bank that sets interest-rate policy, might vote to raise interest rates when it meets next month, he said the American economy seems able to grow without significant inflation at a speed faster than the 2 percent to 2.5 percent that has been identified as the Fed's target range.

This, he said, was because American productivity is higher than has been measured, while inflation gauges such as the consumer price index could be overstated.

"Who is to say we can't we have potential growth at 3 percent?" he said.

If the U.S. economy can indeed grow faster than the 2.5 percent thought to be the ceiling, then corporate profits have scope to increase with it, a boon for stocks, while the federal budget deficit would diminish because of rising tax revenue and reduced expenditures for public assistance. This scenario explains optimism about stock and bond prices.

Yet for all the haven talk about havens, the dollar weakened a little on Friday. It was quoted at 1.7253 Deutsche marks at 4 P.M., down from 1.7290 on Thursday, and at 114.400 yen, down from 115.685.

It fell to 5.8154 French francs from 5.8305 but rose to 1.4497 Swiss francs from 1.4453. The pound fell to $1.6320 from $1.6345.

Mr. Ethridge of MMS, a unit of Standard & Poor's Corp. that tracks currencies and interest rates, said the explanation was that "most people who wanted to buy dollars before this level already bought them." Late last month, for example, the dollar closed as low as 1.6780 DM.

Mr. Zonis said that despite its slip on Friday, the dollar's strength was a worrisome aspect of the outlook for the U.S. economy.

The higher the currency rises, the more difficult it becomes for American exporters to make money in foreign markets, while imports become cheaper in the United States. This could lead to calls for protectionism in the United States, he noted.

AMEX

Friday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7315.16	7445.22	7304.86	7435.78	+130.49
Trans	2674.98	2719.49	2677.00	2718.15	+34.40
Util	220.22	222.49	220.06	222.33	+1.22
Comp	2276.61	2312.63	2277.12	2311.77	+33.70

Standard & Poors

	High	Low	Previous Close	4 P.M.
Industrials	998.25	988.43	991.59	1008.72
Transp.	618.64	611.54	614.29	623.59
Utilities	192.42	191.63	192.19	193.18
Finance	96.64	95.26	96.05	97.98
SP 500	848.89	840.11	843.43	858.01
SP 100	828.55	820.37	822.84	837.16

NYSE

	High	Low	Last	Chg.
Composite	448.63	441.54	448.13	+6.49
Industrials	567.97	559.39	567.35	+8.03
Transp.	407.92	400.86	407.23	+5.12
Utility	276.55	271.54	276.48	+4.44
Finance	409.98	402.90	409.24	+6.19

Nasdaq

	High	Low	Last	Chg.
Composite	1405.22	1387.63	1404.85	+14.80
Industrials	1145.79	1136.48	1145.79	+6.80
Banks	1507.61	1494.90	1507.14	+11.57
Insurance	1554.90	1541.75	1554.64	+13.95
Finance	1829.26	1811.35	1829.06	+14.41
Transp.	951.64	943.12	951.16	+3.79

AMEX

High	Low	Last	Chg.
614.68	610.65	614.65	+3.90

Dow Jones Bond

	Close	Chg.
20 Bonds	102.47	+0.08
10 Utilities	99.31	−0.10
10 Industrials	105.63	+0.26

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
WstgEl	48844	20⅛	19⅝	20	—
PhilMor s	47899	43	42⅛	42⅝	-⅛
IBM s	45781	86	82¾	85⅞	+2⅜
AT&T s	41229	35⅞	35⅛	35⅝	+¼
MicrnT	39085	41¾	40	41⅛	+⅛
Exxon s	38389	62	59⅝	61⅞	+1⅝
GenElec s	38251	62⅛	60⅛	62⅛	+2
Compaq	37146	104½	97⅝	103	+3⅜
AMD	34229	39	36⅛	38⅝	+1⅝
NatnsBk s	33948	64	61⅝	63½	+1⅝
Seagate s	33764	39⅛	37⅛	38	-⅜
PepsiCo	33437	37⅛	36⅞	37⅛	+⅜
Iomega	33308	21⅛	19⅝	20⅛	-⅛
FannieMae	32454	45⅛	44⅛	45⅞	+1⅜
ChaseM	31975	101⅛	97½	100⅛	+2⅜

Nasdaq

	Vol.	High	Low	Last	Chg.
WorldCm s	131234	28⅛	27⅛	28	-⅞
Intel	106810	146½	143	146	+2⅞
DellCpt s	81212	113⅜	108	112⅞	+3⅞
Ascend	68324	48½	45⅞	47⅞	+1⅞
Oracle	67138	49	47⅛	49	+1⅛
Cisco	66114	65⅛	63⅛	64⅞	+⅛
3Com	56405	46⅛	43⅛	46⅛	+2⅛
NextelCm	54376	17½	16⅛	17½	+1⅛
BostChk	52186	15⅞	15⅛	15⅛	+⅛
WA Mutl	49677	56	54⅛	55⅛	+1⅛
Atmel	48764	27⅛	25⅛	25⅞	-1⅛
Microsft s	44676	124⅞	120⅞	124⅞	+3⅞
Altera	40783	51⅛	46⅛	47⅞	-3⅛
SunMic s	38574	34⅛	33⅛	33⅞	+⅛
ApldMat	38365	65⅛	62⅛	65	+2½

AMEX

	Vol.	High	Low	Last	Chg.
Harken	61937	6	5⅛	6	+1
TWA	44748	10⅞	9⅛	10⅛	+⅞
CanOccl g	29177	23⅛	23	23	—
SPDR	14417	86⅛	84⅞	86⅛	+1⅞
Medeonda	9386	13⅛	12⅛	13⅛	+⅛
GreyhndL	8833	4⅞	4⅛	4⅞	+⅛
StllwtrM	6577	25½	23	25	+2
Audvox	5378	7⅞	7⅛	7⅞	+⅛
DI Ind	5315	3⅞	3⅛	3⅞	—
PozenC	5214	10⅞	10⅛	10⅞	+⅞

Trading Activity

NYSE

	Close	Prev.
Advanced	1764	1511
Declined	732	989
Unchanged	883	852
Total issues	3379	3352
New Highs	305	198
New Lows	4	11

Nasdaq

	Noon	Prev.
Advanced	1816	2268
Declined	1460	1691
Unchanged	2201	1770
Total issues	5477	5729
New Highs	106	104
New Lows	68	53

AMEX

	Close	Prev.
Advanced	340	310
Declined	204	214
Unchanged	175	200
Total issues	719	724
New Highs	37	36
New Lows	8	5

Market Sales

	Today 4:00	Prev. cons.
NYSE	488.35	550.19
Amex	29.53	27.84
Nasdaq	548.02	560.95

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
London Intl Grp	b	.2139	6-13	9-2
STOCK				
Fst Michigan Bk	-	10%	7-15	7-31
STOCK SPLIT				
CGI Group A 2 for 1 split.				
SPECIAL				
Frankfort First	-	4.00	6-17	6-24
REGULAR				
Aceto Corp	S	.18	6-16	6-30
Am Woodmark	Q	.02	6-13	6-30
Assoc Estates	Q	.465	7-15	8-1
Blkrk Bi 2009	M	.075	6-16	6-30
Cdn Imperial Bk g	Q	.25	6-27	7-28
Colonial Intrmdt I	M	.078	6-16	7-1
Colonial Inv Grd	M	.0535	6-16	7-1
Consumers Water	Q	.30	8-11	8-25
Contl Mtg & Eq	Q	.13	6-13	6-30
Enhance Fincl	Q	.11	6-16	6-20
Fischer Scientific	Q	.02	6-18	7-3
HFNC Fincl	Q	.07	6-18	6-30
Independent Sq	M	.115	6-20	6-30
Landauer Inc	Q	.30	6-19	7-3
NY Tax Exempt	M	.052	6-16	7-1
Pioneer Inter Shrs	Q	.27	6-19	6-30
PubSvc New Mex	Q	.17	8-1	8-22
Thomaston Mill A B		.075	6-16	7-1
Transcontl Rlty	Q	.07	6-13	6-30
USF&G Pacehold	Q	.425	6-30	7-10
USFreightways Cp	Q	.0933	6-20	7-3
US West	Q	.535	7-10	8-1
Wallace Computer	Q	.14	9-2	9-22
Wal-Mart Stores	Q	.0675	6-20	7-14

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

June 6, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Jul 97	276½	273¾	274	−¼	109,110
Sep 97	262½	259½	261¾	+2¼	33,422
Dec 97	260	256½	259¾	+1½	110,676
Mar 98	266¼	264½	265½	+1½	13,640
May 98	270	268¼	269½	+1½	1,475
Jul 98	273½	271½	273	+1	3,453
Sep 98	260½	259½	260½	+1	5

Est. sales N.A. Thu's. sales 38,512
Thu's open int 275,154 off 311

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	OpInt
Jul 97	278.00	272.70	273.60	−2.60	39,000
Aug 97	258.50	254.30	255.60	−1.20	17,954
Sep 97	242.50	239.50	241.60	+0.10	11,421
Oct 97	229.80	226.10	229.00	+2.00	11,139
Dec 97	222.80	220.20	221.70	+1.20	22,228
Jan 98	219.00	217.70	219.00	+1.50	2,594

Est sales N.A. Thu's. sales 32,361
Thu's open int 107,873 off 1947

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	OpInt
Jul 97	23.55	23.15	23.46	−0.01	43,583
Aug 97	23.80	23.55	23.68		16,764
Sep 97	23.93	23.75	23.87		8,973
Oct 97	24.00	23.83	23.98	+0.06	10,380
Dec 97	24.25	24.08	24.21	+0.05	19,814
Jan 98	24.40	24.25	24.37	+0.07	1,412

Est. sales N.A. Thu's. sales 20,779
Thu's open int 101,687 up 321

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Jul 97	842¾	827	835¾	−¾	75,788
Aug 97	795	787	788¾	−1¼	25,825
Sep 97	722½	715	720½	+2¾	9,732
Nov 97	688	681	686¾	+3	53,164
Jan 98	687½	684	689¼	+3¼	7,202

Est. sales N.A. Thu's. sales 91,369
Thu's open int 174,449 off 3143

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	OpInt
Jul 97	362	357¼	359½	+3½	46,355
Sep 97	369½	364¼	367¾	+4½	16,824
Dec 97	381½	377	379½	+3¾	16,861
Mar 98	385½	381	383	+4¼	2,160

Est. sales N.A. Thu's. sales 14,179
Thu's open int 82,957 up 1452

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jun 97	63.97	63.65	63.75	−0.02	14,813
Aug 97	63.97	63.55	63.70	+0.05	46,231
Oct 97	67.25	67.02	67.12		21,956
Dec 97	69.97	69.60	69.65	−0.20	10,794
Feb 98	70.97	70.50	70.50	−0.35	5,748
Apr 98	72.70	72.25	72.30	−0.30	2,308

Est. sales 14,219 Thu's. sales 13,656
Thu's open int 102,392 off 1419

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Aug 97	76.70	75.90	75.95	−0.80	10,440
Sep 97	76.60	76.02	76.05	−0.72	2,188
Oct 97	76.85	76.35	76.40	−0.65	3,475
Nov 97	78.45	77.80	77.90	−0.47	1,960
Jan 98	79.20	78.75	78.89	−0.50	604
Mar 98	78.50	78.40	78.40	−0.40	189

Est. sales 3,308 Thu's. sales 2,410
Thu's open int 18,869 off 110

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jun 97	81.40	80.85	81.12	+0.10	6,947
Jul 97	82.02	81.25	81.35	−0.45	10,920
Aug 97	79.70	79.15	79.57	+0.17	8,626
Oct 97	71.70	71.20	71.37	−0.30	6,598
Dec 97	68.10	67.52	67.75	−0.45	3,779

Est. sales 7,484 Thu's. sales 12,393
Thu's open int 39,753 off 149

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jul 97	88.20	84.25	84.50	−3.75	5,433
Aug 97	88.00	84.05	84.33	−3.57	2,049
Feb 98	75.90	73.50	73.60	−2.55	444

Est. sales 3,744 Thu's. sales 2,087
Thu's open int 7,937 up 134

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	OpInt
Jul 97	1425	1408	1413	−6	19,951
Sep 97	1463	1448	1455	−4	20,921
Dec 97	1499	1487	1494	−1	20,082
Mar 98	1526	1520	1526	+1	21,860
May 98	1546	1535	1546	+1	8,570
Jul 98			1564	+1	575

Est. sales N.A. Thu's. sales 9,195
Thu's open int 94,122, up 442

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jul 97	238.50	228.00	237.35	+4.75	9,348
Sep 97	215.00	205.50	214.15	+4.75	8,278
Dec 97	185.00	179.00	184.45	+3.45	4,786
Mar 98	172.00	165.50	171.45	+4.15	2,296
May 98	166.00	163.00	166.00	+4.00	504

Est. sales N.A. Thu's. sales 14,199
Thu's open int 25,389 off 1863

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jul 97	11.54	11.37	11.45	+0.04	77,703
Oct 97	11.38	11.19	11.26	+0.05	61,030
Mar 98	11.16	11.10	11.14	+0.04	29,940
May 98	11.05	11.00	11.04	+0.04	6,853

Est. sales N.A. Thu's. sales 16,806
Thu's open int 180,118 off 659

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jul 97	79.90	77.40	77.80	−1.65	15,781
Sep 97	82.10	79.80	80.10	−1.55	8,348
Nov 97	84.00	82.60	82.60	−1.45	3,788
Jan 98	87.00	85.10	85.10	−1.45	1,675

Est. sales N.A. Thu's. sales 2,382
Thu's open int 31,421 up 299

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Jun 97	345.00	341.00	343.20	+0.20	858
Jul 97			344.40	+0.20	1
Aug 97	347.60	345.50	345.70	+0.10	69,946
Oct 97	350.20	348.00	348.20	+0.10	7,519
Dec 97	352.70	350.40	350.70	+0.10	26,198
Feb 98	353.80	353.20	353.20	+0.10	9,394
Apr 98			355.50		3,972
Jun 98	359.00	358.00	358.00	−0.10	7,874
Aug 98			360.70	−0.20	752

Est. sales N.A. Thu's. sales 44,984
Thu's open int 157,670 off 4311

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jun 97	117.10	115.50	117.00	+0.25	2,785
Jul 97	117.30	115.80	117.15	+0.15	32,383
Aug 97	114.95	114.10	114.95	+0.15	2,553
Sep 97	114.05	113.00	114.05	+0.25	7,192
Oct 97	112.05	111.80	112.05	+0.25	1,126
Nov 97	110.70	110.00	110.70	+0.20	1,220
Dec 97	109.55	108.90	109.55	+0.15	5,996
Jan 98			107.50		656
Feb 98			105.95	−0.10	541

Est. sales N.A. Thu's. sales 6,558
Thu's open int 58,925 up 173

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	OpInt
Jun 97	485.00	476.90	476.90	+1.40	2
Jul 97	493.00	477.00	478.30	+1.30	51,517
Sep 97	497.00	481.50	482.70	+1.40	10,270
Dec 97	501.80	488.00	489.10	+1.40	7,973
Jan 98			491.10	+1.40	17
Mar 98	504.00	495.80	495.80	+1.40	8,473
May 98	505.00	499.80	499.80	+1.00	2,743
Jul 98			503.80	+0.50	2,506

Est. sales N.A. Thu's. sales 20,558
Thu's open int 89,969 up 320

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	OpInt
Jul 97	473.80	438.00	454.00	+17.40	13,308
Oct 97	429.00	410.00	424.00	+13.40	5,223
Jan 98	419.00	414.00	419.00	+14.40	1,302

Est. sales N.A. Thu's. sales 4,037
Thu's open int 19,855 off 130

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1572.00	1573.00	1576½	1577½
Forward	1596.00	1597.00	1599.00	1600.00
Copper Cathodes (High Grade)				
Spot	2549.00	2552.00	2533.00	2536.00
Forward	2486.00	2487.00	2475.00	2476.00
Lead				
Spot	632½	633½	621½	622½
Forward	645.00	646.00	635.00	636.00
Nickel				
Spot	7225.00	7235.00	7110.00	7115.00
Forward	7330.00	7340.00	7220.00	7225.00
Tin				
Spot	5705.00	5715.00	5605.00	5615.00
Forward	5730.00	5740.00	5640.00	5650.00
Zinc (Special High Grade)				
Spot	1347½	1348½	1346.00	1347.00
Forward	1371.00	1372.00	1369½	1370.00

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct

	High	Low	Close	Chge	OpInt
Jun 97	94.95	94.90	94.95	+0.02	3,977
Sep 97	94.71	94.62	94.69	+0.04	5,894
Dec 97			94.49		10

Est. sales N.A. Thu's. sales 401
Thu's open int 9,881 up 8077

5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	OpInt
Jun 97	106-09	105-32	106-06	-20	71,904
Sep 97	106-63	105-14	105-63	+29	147,116
Dec 97	105-02	105-02	105-02	−14	577

Est. sales N.A. Thu's. sales 56,722
Thu's open int 219,597 off 258

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Jun 97	108-18	107-15	108-18	+23	99,538
Sep 97	108-01	106-28	107-31	+21	233,913
Dec 97	107-19	107-10	107-19	+19	1,905

Est. sales N.A. Thu's. sales 150,051
Thu's open int 335,356 off 1334

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	OpInt
Jun 97	111-22	109-28	111-20	+1 07	149,693
Sep 97	111-09	109-15	111-08	+1 08	304,312
Dec 97	110-27	109-04	110-27	+1 08	24,040
Mar 98			109-09		2,037

Est. sales N.A. Thu's. sales 279,646
Thu's open int 481,651 off 2905

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Close	Chge	OpInt
Jun 97	94.32	94.29	94.31	+0.01	15,069
Jul 97	94.27	94.23	94.27	−0.02	12,044
Aug 97	94.21	94.17	94.21	+0.02	6,500

Est. sales N.A. Thu's. sales 4,806
Thu's open int 37,012 up 65

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	OpInt
Jun 97	113-26	113-02	113-24	+0-20	55,059
Sep 97	114-03	113-10	114-02	+0-21	151,249
Dec 97	N.T.	N.T.	113-22	+0-21	0

Est. sales: 73,416. Prev. sales: 51,954
Prev. open int.: 206,308 off 1,572

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	n.a.	n.a.	n.a.	n.a.	10,469
Sep 97	100.76	100.27	100.74	+0.23	218,674
Dec 97	99.64	99.64	99.83	+0.22	25

Est. sales: 138,725. Prev. sales: 212,005
Prev. open int.: 229,168 off 3,461

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	129.46	129.22	129.40	+ 0.14	137,455
Sep 97	127.80	127.60	127.74	+ 0.14	85,332
Dec 97	97.12	96.78	96.80	− 0.22	0

Est. sales: 162,077.
Open int.: 222,787 off 7,465.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Sep 97	130.75	130.12	130.23	−0.29	82,815
Dec 97	N.T.	N.T.	103.38	−0.29	150

Est. sales: 40,243. Prev. sales: 52,454
Prev. open int.: 82,965 up 1,980

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	OpInt
Jun 97	94.27	94.17	94.20	+0.02	395,581
Jul 97	94.15	94.10	94.15	+0.02	18,185
Aug 97	94.11	94.04	94.11	+0.04	3,818
Sep 97	94.02	93.96	94.05	+0.04	483,509
Dec 97	93.87	93.72	93.86	+0.07	385,098
Mar 98	93.78	93.61	93.77	+0.10	271,489
Jun 98	93.66	93.49	93.66	+0.11	233,521
Sep 98	93.57	93.39	93.56	+0.10	184,164
Dec 98	93.46	93.27	93.44	+0.10	131,885
Mar 99	93.45	93.26	93.44	+0.11	102,189
Jun 99	93.40	93.23	93.40	+0.11	81,186
Sep 99	93.37	93.20	93.37	+0.11	69,172

Est. sales N.A. Thu's. sales 376,401
Thu's open int 2,748,878 up 13799

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	OpInt
Jun 97	1.6348	1.6196	1.6316		35,565
Sep 97	1.6300	1.6158	1.6290		5,955
Dec 97	1.6180	1.6180	1.6180		114

Est. sales N.A. Thu's. sales 4,753
Thu's open int 41,634 off 144

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	OpInt
Jun 97	.7273	.7222	.7234		58,950
Sep 97	.7315	.7265	.7278		15,588
Dec 97	.7341	.7307	.7315		1,480

Est. sales N.A. Thu's. sales 10,826
Thu's open int 68,725 off 905

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	OpInt
Jun 97	.5812	.5740	.5795		72,578
Sep 97	.5851	.5770	.5832		25,362
Dec 97	.5836	.5830	.5831		439

Est. sales N.A. Thu's. sales 14,836
Thu's open int 98,501 off 307

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	OpInt
Jun 97	.8745	.8633	.8732		72,135
Sep 97	.8860	.8745	.8852		10,893
Dec 97	.8970	.8870	.8970		887

Est. sales N.A. Thu's. sales 13,993
Thu's open int 83,886 up 248

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	OpInt
Jun 97	.6930	.6840	.6897		35,288
Sep 97	.7005	.6908	.6971		9,462
Dec 97	.7042	.7000	.7042		561

Est. sales N.A. Thu's. sales 15,400
Thu's open int 45,339 up 386

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	OpInt
Jun 97	.12505	.12450	.12460		15,630
Sep 97	.12000	.11950	.11955		13,201
Dec 97	.11560	.11510	.11520		7,634

Est. sales N.A. Thu's. sales 10,299
Thu's open int 39,269 up 1084

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	93.38	93.28	93.28	−0.06	110,631
Sep 97	93.22	93.11	93.14	−0.03	114,492
Dec 97	93.07	92.96	93.00	−0.01	99,928
Mar 98	92.93	92.84	92.90	+0.01	63,895
Jun 98	92.83	92.76	92.82	+0.03	46,273
Sep 98	92.77	92.68	92.77	+0.05	32,793
Dec 98	92.73	92.66	92.73	+0.05	26,433

Est. sales: 136,896. Prev. sales: 61,941
Prev. open int.: 546,125 up 2,586

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	96.83	96.81	96.83	+0.01	203,250
Jul 97	N.T.	N.T.	96.81	+0.01	1,497
Sep 97	96.79	96.75	96.79	+0.03	219,874
Dec 97	96.69	96.65	96.69	+0.04	247,825
Mar 98	96.58	96.53	96.58	+0.05	223,439
Jun 98	96.40	96.35	96.40	+0.04	152,236
Sep 98	96.18	96.14	96.18	+0.03	130,313
Dec 98	95.92	95.89	95.92	+0.03	85,197
Mar 99	95.67	95.63	95.67	+0.04	82,613

Est. sales: 136,007. Prev. sales: 121,728
Prev. open int.: 1,483,836 off 8,202

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	96.56	96.53	96.54	+ 0.00	57,217
Sep 97	96.48	96.44	96.46	− 0.01	63,216
Dec 97	96.47	96.43	96.44	− 0.01	32,386
Mar 98	96.40	96.38	96.38	− 0.01	27,188
Jun 98	96.29	96.26	96.28	+ 0.00	24,238
Sep 98	96.13	96.10	96.11	− 0.01	21,562

Est. sales: 58,228.
Open int.: 275,937 off 151.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	OpInt
Jun 97	93.18	93.07	93.10	−0.07	80,281
Sep 97	93.41	93.31	93.33	−0.05	110,661
Dec 97	93.64	93.54	93.55	−0.06	61,986
Mar 98	93.78	93.69	93.69	−0.06	37,188
Jun 98	93.86	93.75	93.77	−0.06	26,694

Est. sales: 51,019. Prev. sales: 57,034
Prev. open int.: 334,653 up 3,142

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	OpInt
Jul 97	73.30	72.15	72.37	−0.73	32,353
Oct 97	74.95	74.20	74.25	−0.63	5,047
Dec 97	75.70	74.90	75.05	−0.57	26,886
Mar 98	76.80	76.15	76.28	−0.47	4,433
May 98	77.15	76.60	76.85	−0.42	1,129

Est. sales N.A. Thu's. sales 8,771
Thu's open int 72,829 up 199

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Jul 97	54.00	51.75	51.80	−1.52	38,011
Aug 97	54.40	52.45	52.45	−1.32	28,354
Sep 97	54.95	53.40	53.45	−1.17	10,687
Oct 97	55.80	54.30	54.30	−1.17	10,294
Nov 97	56.80	55.50	55.50	−0.82	8,964
Dec 97	57.75	56.20	56.30	−0.83	14,793
Jan 98	58.70	56.90	57.00	−0.57	8,813
Feb 98	58.10	56.70	57.00	−0.52	3,987
Mar 98	57.80	56.00	56.20	−0.22	4,878

Est. sales N.A. Thu's. sales 29,950
Thu's open int 127,943 up 5216

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	OpInt
Jul 97	19.85	18.80	18.88	−0.78	79,321
Aug 97	20.03	19.15	19.15	−0.71	56,153
Sep 97	20.15	19.37	19.42	−0.54	33,779
Oct 97	20.20	19.52	19.52	−0.50	20,746
Nov 97	20.23	19.80	19.80	−0.26	17,417
Dec 97	20.26	19.70	19.70	−0.36	35,564
Jan 98	20.22	19.75	19.75	−0.31	17,171
Feb 98	20.32	20.05	20.05	−0.81	7,371
Mar 98	20.32	19.95	19.95	−0.09	4,491
Apr 98	20.20	19.90	19.90	−0.12	4,440

Est. sales N.A. Thu's. sales 119,883
Thu's open int 392,036 up 2443

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	OpInt
Jul 97	2.214	2.160	2.180		35,294
Aug 97	2.214	2.170	2.195		22,834
Sep 97	2.204	2.160	2.180		17,780
Oct 97	2.205	2.120	2.190		19,934
Nov 97	2.345	2.305	2.330		9,868
Dec 97	2.470	2.440	2.460		12,540
Jan 98	2.515	2.485	2.505		12,839
Feb 98	2.415	2.395	2.415		9,398
Mar 98	2.285	2.270	2.280		6,383
Apr 98	2.140	2.130	2.140		3,338

Est. sales N.A. Thu's. sales 29,064
Thu's open int 195,368 up 1375

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	OpInt
Jul 97	60.15	57.50	57.50	−2.32	39,457
Aug 97	59.30	56.90	56.99	−1.95	15,483
Sep 97	58.50	56.60	56.65	−1.59	4,881
Oct 97	57.00	55.80	55.80	−0.99	3,385
Nov 97	55.80	55.40	55.40	−0.74	1,756
Dec 97	56.20	55.20	55.30	−0.59	4,158

Est. sales N.A. Thu's. sales 17,827
Thu's open int 74,054 up 248

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	OpInt
Jun 97	168.25	163.25	164.25	− 1.50	16,161
Jul 97	169.75	164.75	165.75	− 2.00	14,960
Aug 97	171.25	167.25	167.75	− 2.00	8,535
Sep 97	172.50	169.25	169.75	− 2.00	3,593
Oct 97	174.75	173.25	172.00	− 2.00	5,650
Nov 97	176.00	173.75	173.75	− 2.00	2,462
Dec 97	177.50	173.75	175.00	− 2.00	8,626

Est. sales: 18,477. Open int.: 66,885 up 2,034

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	OpInt
July 97	18.51	17.59	17.70	− 0.62	48,187
Aug 97	18.70	17.84	17.92	− 0.54	56,912
Sep 97	18.85	18.00	18.00	− 0.67	13,604
Oct 97	18.96	18.35	18.15	− 0.67	9,963
Nov 97	19.00	18.50	18.24	− 0.64	6,638
Dec 97	19.08	18.60	18.31	− 0.62	11,716
Jan 98	19.00	18.80	18.33	− 0.59	8,026
Feb 98	N.T.	N.T.	18.30	− 0.59	4,759

Est. sales: 64,000 Open int: 164,518 up 3,952

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

	High	Low	Latest	Chge	OpInt
Jun 97	862.30	844.10	861.00	+15.00	151,387
Sep 97	870.90	852.60	869.70	+15.00	42,787
Dec 97	879.00	865.50	879.00	+15.25	3,576

Est. sales N.A. Thu's. sales 65,631
Thu's open int 199,115 off 2986

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	OpInt
Jun 97	2708.0	2669.0	2700.0	+16.0	38,698
Jul 97	2699.5	2673.0	2698.0	+16.0	4,482
Sep 97	2710.0	2685.0	2713.0	+16.0	15,258
Dec 97	N.T.	N.T.	2733.0	+16.0	452
Mar 98	2750.5	2750.0	2757.0	+17.0	6,949

Est. sales: 16,657.
Open int.: 68,464 up 181.

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	OpInt
Jun 97	4658.0	4570.0	4656.0	+80.0	64,947
Sep 97	4684.0	4603.0	4688.0	+80.5	16,029
Dec 97	4699.0	4694.0	4737.0	+80.0	783

Est. sales: 16,952. Prev. sales: 19,823
Prev. open int.: 81,753 up 1,124

Commodity Indexes

	Close	Previous
Moody's	N.A.	N.A.
Reuters	2,008.80	2,000.80
D.J. Futures	158.42	158.07
CRB	246.74	246.67

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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I. FUTURES

Rank Group to Sell Joint-Venture Stake To Xerox for £1 Billion

Compiled by Our Staff From Dispatches

LONDON — Rank Group PLC said Friday that it would sell its remaining 20 percent stake in the office equipment joint venture Rank Xerox to Xerox Corp. for as much as £1 billion ($1.63 billion).

Rank, a leisure-goods and entertainment company that owns the Hard Rock Café, the Universal Studios Theme Park and other interests, also said it planned to spend as much as £250 million to buy back its own shares.

Rank said it had signed a letter of intent with Xerox, under which the American company is to pay £500 million on completion of the transaction, which is expected to take place at the end of June but is subject to approval by shareholders. The balance will be payable in two annual installments of £220 million.

Xerox may pay an additional £60 million in 2000, based on profit performance.

As a result of the deal, Xerox, the American technology and photocopier company, announced that it was suspending its own share repurchase program.

The sale will give Rank £750 million to invest in other leisure activities, particularly in its theme park in Florida, said Nigel Reed, an analyst with Paribas Capital Markets.

Rank Xerox, with headquarters in Marlow, England, manufactures Xerox products, systems and supplies, and markets them in more than 80 countries in Europe, Asia and Africa. It also owns 50 percent of Fuji Xerox.

Rank shares rose 22 pence to 446.

Rank, which has held a stake in the joint venture with Xerox since 1956, reduced its 33 percent holding to 20 percent in 1995, selling part of the stake back to Xerox for £620 million.

It announced last year that it planned to sell the remaining stake.

"Today's agreement is another important step in the achievement of our strategy," said Rank's chief executive, Andrew Teare.

"This had to be dealt with before we moved forward," Mr. Teare added. "It didn't fit into our product portfolio, and we didn't manage it."

Rank is expanding its existing businesses aggressively, pledging to pump £1.5 billion into British leisure sites over the next four to five years.

It also plans to open new Hard Rock Cafés around the world at the rate of one per month over the next three years.

"We can now fully concentrate on our leisure and entertainment businesses, where we believe investment opportunities and our management expertise can generate improved returns and best enhance shareholder value," the company said. *(Reuters, Bloomberg, AFP)*

SGL Carbon Facing Inquiry In Price-Fixing

Compiled by Our Staff From Dispatches

WIESBADEN, Germany — SGL Carbon AG, the world's largest maker of specialized carbon and graphite products, said Friday its offices were searched in an investigation by the European Union and the U.S. Department of Justice into possible price-fixing.

Authorities are looking into whether SGL and two U.S. competitors, Carbide/Graphite Group Inc. and UCAR International Inc., fixed prices for graphite electrodes, which are used to conduct current in steel-recycling furnaces.

An SGL spokesman said that offices in Germany and the United States had been searched Thursday. But he rejected allegations that SGL Carbon had been involved in price rigging. "Why would we do such a thing?" he asked.

Under EU law, a company found guilty of operating a cartel can be fined up to 10 percent of its global sales in the business. *(Bloomberg, AFP)*

SGS-Thomson Sees Weak Net

Compiled by Our Staff From Dispatches

PARIS — SGS-Thomson Microelectronics NV said Friday that its second-quarter net profit would match the first-quarter result but would fall short of analysts' estimates, sending the company's share price falling 6 percent.

The company said sales for the quarter would exceed the previous quarter, when they totaled $994.9 million and resulted in $90.5 million, or 65 cents per share, in net profit.

Analysts surveyed by IBES International Inc. said they expected SGS-Thomson to earn $1.02 per share for the second quarter.

The company said second-quarter sales were more than expected for its standard chip products, for which prices have been depressed.

The company said that its third-quarter order backlog was above the second-quarter level. It added that it expected higher gross profit margins in the period because of increased sales of specialized, non-standard products.

"They were a little worried about expectations," said Neil Barton, an analyst at Merrill Lynch & Co. "They are trying to be cautious."

SGS-Thomson shares fell to 445 French francs ($76.33) Friday from 471 francs at the previous close.

With annual sales of $4.11 billion last year and a global market share of 2.9 percent, SGS-Thomson is the world's No. 10 semiconductor supplier. In Europe, the company is second after Philips Electronics NV of the Netherlands.

SGS-Thomson lowered its forecast for this year's growth in the global microchip industry last month because it had detected only little improvement in the second quarter.

"There is only extremely modest growth in the second quarter, with extremely low visibility," said Philippe Dauvin, SGS-Thomson's chief economist. "Customers are still talking about a soft market."

The Semiconductor Industry Association said Thursday that sales of computer chips fell 5.3 percent in April, to $11.12 billion from $11.74 billion a year earlier.

When SGS-Thomson reported first-quarter earnings, it said average selling prices for microchips were between 15 percent and 20 percent below those for a year earlier. This resulted from increased competition as companies in the industry passed on cost savings from more efficient technology to their clients.

SGS-Thomson's profit warning follows similar statements this week from two U.S. companies, Seagate Technology Inc., a maker of makes disk drives, and Cabletron Systems Inc., a computer network company, that some analysts said indicated an industry-wide slowdown. *(AFX, Bloomberg)*

Firm Fiat Sales Fire Share Price

Compiled by Our Staff From Dispatches

MILAN — Fiat SpA said Friday its results so far this year were "better than budget," sending its shares up 80 lire (4.7 cents) to 5,800 lire.

Italy's largest industrial company said it expected new car registrations for May to be up sharply from a year ago.

Fiat said it was in the process of reworking its profit forecasts for the full year and would present them at its shareholders meeting on June 16. *(AFX, Bloomberg)*

Lukoil Expects $2 Billion from Sale

Bloomberg News

MOSCOW — AO Lukoil Holding, Russia's largest oil producer, said Friday that it hoped to raise up to $2 billion from its planned sale next year of 15 percent of the company.

Part of the sale will include a new class of American depositary receipts traded on the New York Stock Exchange. Lukoil already lists one class of ADRs. The new shares would require Lukoil to comply with U.S.-style accounting and disclosure rules.

Lukoil, which produced 58.5 million tons of oil last year, is in talks with Moscow to use part of the money raised from the share sale to finance investment in new production, a Lukoil executive said.

Lukoil already has level-one ADRs, which are backed by existing securities but do not require the higher level of disclosure of new level-three shares. Level two refers to level one shares elevated to the higher reporting standards.

The sale of 15 percent of the company, announced Thursday by the State Property Committee chairman, had been long planned, although the timing had not been specified.

Lukoil will make the share offer after the accounting firm KPMG finishes auditing its 1996 accounts according to Western standards.

Spain Approves Change in Labor Rules

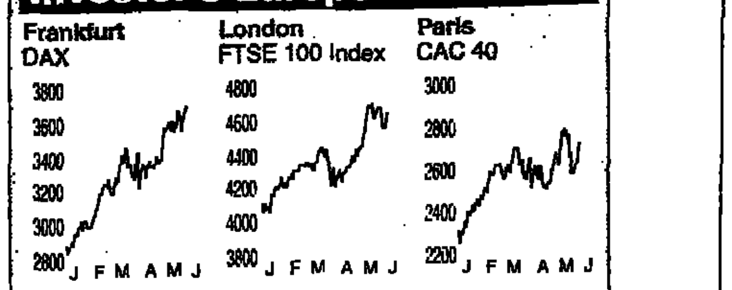
The Associated Press

MADRID — The Parliament has overwhelmingly approved a landmark labor pact that government and union leaders say will reduce Spain's 22 percent unemployment rate and give employers greater flexibility in hiring.

The pact took effect immediately after Parliament approved it Thursday by a 302-to-18 vote.

Under the new law, tax incentives will encourage employers to hire workers under newly created "indefinite contracts" offering severance pay of 33 days for each year worked. That is far greater than what is offered now under the temporary contracts, but less than the 45 days offered under the old "permanent contracts," which employers complained hindered their ability to compete internationally.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	824.43	820.69	+0.46
Brussels	BEL-20	2,309.93	2,283.07	+1.18
Frankfurt	DAX	3,695.29	3,673.03	+0.61
Copenhagen	Stock Market	581.29	579.03	+0.39
Helsinki	HEX General	3,075.81	3,057.64	+0.59
Oslo	OBX	640.98	634.63	+1.00
London	FTSE 100	4,645.00	4,576.20	+1.50
Madrid	Stock Exchange	574.95	564.41	+1.87
Milan	MIBTEL	12277	12256	+0.17
Paris	CAC 40	2,719.25	2,690.85	+1.06
Stockholm	SX 16	3,086.60	3,060.35	+0.86
Vienna	ATX	1,305.35	1,306.92	-0.12
Zurich	SPI	3,368.53	3,327.99	+1.22

Source: Telekurs — International Herald Tribune

Very briefly:

- ***Airbus Industrie's members*** have changed tack in their effort to reform the group into a stand-alone company, abandoning plans to transfer factories and other assets into a new company. But the four European aircraft makers with a stake in Airbus have agreed to begin a new set of discussions aimed at creating a separate single entity to manage both civil and military industries throughout the Continent. The move clears an impasse in the talks over how Airbus's assets would be valued.
- **Bankgsellschaft Berlin AG**, already in talks to take over **Norddeutsche Landesbank Girozentrale**, plans to buy or build an investment bank in Frankfurt, said Bankgsellschaft Berlin's chief executive, Wolfgang Rupf.
- ***Fokus Bank ASA***, *a regional Norwegian bank, will sell its 10* percent stake in **Bolig- og Naeringbanken A/S** to **Den norske Bank ASA**. Norway's biggest bank, abandoning its own attempt to acquire BN Bank. Den norske Bank said the move would enable it to complete its acquisition of BN Bank.
- **Seagate Technology Inc.**, the world's largest maker of disk drives, *said it would invest £149 million ($243 million)* to expand its operation in Londonderry, Northern Ireland, creating 1,125 new jobs over the next five years.
- **Karstadt AG**, Germany's second-largest retailer after Metro AG, said net profit fell 46 percent in 1996, to 58.6 million Deutsche marks ($33.9 million), amid sluggish demand. The company will cut its annual dividend to 10 DM from 13 DM.
- **Sweden's** unemployment rate fell to 7.8 percent in May from 8.3 percent in April; 329,000 people were considered unemployed, 21,000 fewer than in April. An additional 214,000 people were in government training programs and were not included in the unemployment rate.
- **TelePizza SA**, Spain's largest pizza-delivery chain, said it was looking to buy another Spanish fast-food restaurant chain after completing its 1.9 billion peseta ($13.0 million) purchase of Pizza World. *Bloomberg*

WORLD STOCK MARKETS

Friday, June 6
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 824.43 Previous: 820.69

	High	Low	Close	Prev.
ABN-AMRO	37	36.30	36.40	36.30
Aegon	146.40	144.40	145.50	145.20
Ahold	152.40	147.40	150.70	147.70
Akzo Nobel	261	257.50	260.50	258
Baan Co.	119.30	117	117.40	119.20
Bols Wess cva	38.10	37.30	37.80	37.50
CSM cva	99.80	98.20	99	98.90
Dordtsche Pet	392	388.50	389.50	387
DSM	196.50	191.60	196	191.80
Elsevier	33.10	32.80	33.10	32.90
Fortis Amev	81.80	80.60	81.10	80.80
Getronics	66.20	64.80	65.10	66
G-Broc cva	65.30	64.50	65.20	64.80
Hagemeyer	95.70	93.50	95	93.90
Heineken	338.50	335.80	338	335.30
Hoogovens cva	104.60	103.40	103.40	103.70
Hunt Douglas	167.90	165.50	165.50	166.60
ING Group	89.30	88.10	89.20	88
KLM	56.20	55.70	56.10	55.80
KNP BT	43.40	41.40	42.40	41.60
KPN	75.50	73	73.60	75
Nedlloyd Gp	48.10	46.80	48.10	47
Nutricia	304.40	302.50	304.40	303.80
Oce Grinten	257.80	255	256.30	256.50
Philips Elec	120	116.30	117.50	119.30
Polygram	96	93.90	96	95
Randstad Hdg	203	201	202.30	200.20
Robeco	177.30	176.30	177.30	175.50
Rodamco	62	61.20	62	61
Rolinco	181.80	181.20	181.20	181
Rorento	111.80	111.60	111.60	111.60
Royal Dutch	380	377.30	380	376.40
Unilever cva	380	376.80	380	376.60
Vendex Intl	114	108.10	109.90	113.10
VNU	45.60	44.90	45.60	45
Wolters Kl cva	235	231.50	234.90	233

Bangkok
SET index: 530.42 Previous: 541.05

	High	Low	Close	Prev.
Adv Info Svc	168	151	151	167
Bangkok Bk F	210	204	206	210
Krung Thai Bk	28.25	26.75	27	28
PTT Explor	320	318	318	320
Siam Cement F	490	480	484	490
Siam Com Bk F	117	105	105	117
Telecomasia	28.50	26.25	26.25	27.50
Thai Airways	38.50	35	35.50	38.75
Thai Farm Bk F	118	110	114	118
Utd Comm	117	102	102	113

Bombay
Sensex 30 index: 3836.44 Previous: 3873.85

	High	Low	Close	Prev.
Bajaj Auto	894	887	892	895
Hindust Lever	1262	1224.25	1235.50	1238
Hindust Petm	433	428	429.50	430.50
Ind Dev Bk	96	90.75	92.75	91.75
ITC	493	481.25	486.50	485.75
Mahanagar Tel	282	270	272.25	281.75
Reliance Ind	313	306	306.50	311
State Bk India	321	312.25	313.50	319.75
Steel Authority	18.25	17.75	18	18
Tata Eng Loco	407.25	401	403	404

Brussels
BEL-20 index: 2309.93 Previous: 2283.07

	High	Low	Close	Prev.
Almanij	16200	16050	16175	15975
Barco Ind	6380	6350	6370	6320
BBL	9730	9570	9700	9550
CBR	3440	3300	3360	3305
Colruyt	14500	14400	14500	14450
Delhaize Lion	1850	1815	1840	1820
Electrabel	7700	7560	7640	7620
Electrafina	3590	3550	3580	3580
Fortis AG	6950	6910	6950	6920
Gevaert	3200	3110	3160	3135
GBL	5790	5740	5770	5750
Gen Banque	14400	14275	14375	14275
Kredietbank	15400	14925	15275	14850
Petrofina	12475	12400	12475	12375
Powerfin	5020	4985	5020	4990
Royale Belge	10175	10075	10150	10075
Soc Gen Belg	3410	3360	3380	3350
Solvay	22375	21850	22350	21800
Tractebel	15625	15525	15575	15525
UCB	97300	96300	97400	96550

Copenhagen
Stock index: 581.29 Previous: 579.03

	High	Low	Close	Prev.
BG Bank	320	305	320	310
[illegible]	383	377	379	378
[illegible]	900	888	900	900
Danisco	403	392	397	398
Den Danske Bk	636	626	636	632
D/S Svendborg B	342800	336000	336500	339000
D/S 1912 B	238238	232800	233500	235070
FLS Ind B	1030	1000	1002	1020
[illegible]	709	702	702	710
[illegible]	722	710	722	710
[illegible]	970	960	965	967.50
[illegible]	344	334	329	335
[illegible]	364	359	360	363
[illegible]	362	347	361	354

Frankfurt
DAX: 3695.29 Previous: 3673.03

	High	Low	Close	Prev.
[illegible]	1409	1400	1402	1395
[illegible]	197.50	196.50	197	196
[illegible]	377	365.50	370.75	366
[illegible]	1608	1600	1625	1600
Bk Berlin	39.70	39.30	39.20	39.60
BASF	65.25	64.60	65	64.61
Bayer Hypo Bk	55.95	55	55.95	55.20
[illegible]	72.30	71.40	71.60	72.50
[illegible]	69.55	68.82	68.85	68.85
[illegible]	93.90	92.20	92.20	93.90
[illegible]	43	42.50	42	42.30
[illegible]	1431	1425	1429	1420
[illegible]	148	147	148	147
[illegible]	50.10	49.46	49.50	50.05
[illegible]	137	136.20	136.65	136.30
[illegible]	86.70	85.20	85.30	86.15
Deutsche Bank	100.10	99.70	99.80	99.25
Deut Telekom	40.15	39.65	40.15	39.15
Dresdner Bank	62.30	61.50	61.50	62.10
Fresenius	368	361	364	364
Fresenius Med	160.50	157	160	162
Fried. Krupp	350.50	348	350.50	348
Gehe	125.80	124	124.50	124.50
Heidelbg Zmt	167	165	166	167
Henkel pfd	97.70	96.60	96.60	96.90
HEW	N.T.	N.T.	N.T.	487
Hochtief	74.50	73.50	74	74.50
Hoechst	70.95	70.55	70.83	69.55
Karstadt	623	620	620	625.50
Lahmeyer	75.30	74	74.25	74.80
Linde	1345	1295	1316	1255
Lufthansa	31	30.65	30.65	30.80
MAN	513	506	512	515
Mannesmann	729.50	726	729.50	732.30
Metallgesellschaft	37.55	37.25	37.50	37.60
Metro	195.80	193.50	195.10	194
Munch Rueck R	4780	4685	4700	4625
Preussag	508	498	501	475
RWE	74.80	74.10	74.10	74.85
SAP pfd	315	310.20	314.50	312.80
Schering	186	183.50	184.90	180.60
SGL Carbon	244	236	239	240.20
Siemens	99.75	98.65	99.25	98.77
Springer (Axel)	1500	1500	1500	1490
Suedzucker	975	940	975	938
Thyssen	411.50	406.50	407.50	411
Veba	99	98.25	98.30	98.20
VEW	529	528	528.50	535
Viag	783	777.50	780.50	778
Volkswagen	1208	1195	1201	1193

Helsinki
HEX General index: 3075.81 Previous: 3057.64

	High	Low	Close	Prev.
Enso A	46.50	46.10	46.10	47
Huhtamaki I	221.20	220	220	220.50
Kemira	52.40	51.50	52.40	51.20
Kesko	78.60	77.50	77.50	79
Merita A	17.60	17.40	17.40	17.40
Metra B	146.30	145	145	146.30
Metso-Serla B	41	40.50	40.70	39
Neste	138	136	137	137
Nokia A	343.50	341	343.50	339
Orion-Yhtymae	210	208	208.50	210
Outokumpu A	104.50	103.50	104	103
UPM-Kymmene	121	119.50	121	119.90
Valmet	94	89.50	90	90.10

Hong Kong
Hang Seng: 14655.13 Previous: 14795.52

	High	Low	Close	Prev.
Amoy Props	8.70	8.30	8.35	8.55
Bk East Asia	30.10	29	29.05	28.85
Cathay Pacific	12.10	11.85	11.85	12
Cheung Kong	79	76	76.25	79
CK Infrastruct	24.55	23.20	23.50	24.40
China Light	45	44	44.70	44.20
Citic Pacific	49.30	47.50	47.80	48.90
Dao Heng Bk	42.10	41.50	41.60	41.80
First Pacific	10.20	9.85	9.90	10.20
Hang Lung Dev	14.90	14.60	14.60	14.80
Hang Seng Bk	92.50	89.25	89.50	91.75
Henderson Inv	9.10	8.70	8.70	9
Henderson Ld	74.50	71.75	71.75	74
HK China Gas	14.10	13.60	13.65	14
HK Electric	29.10	28.30	28.50	28.60
HK Telecomm	19.25	17.15	18.95	17.15
Hopewell Hdgs	4.30	4.10	4.18	4.23
HSBC Hdgs	231	226	227	227
Hutchison Wh	64.25	61	61	63.25
Hysan Dev	25.10	24.40	24.50	24.90
Johnson El Hdg	22.50	22.10	22.10	22.70
Kerry Props	19.50	19.20	19.50	19.40
New World Dev	50	47.80	48.20	49.70
Oriental Press	2.73	2.68	2.70	2.73
Pearl Oriental	2.70	2.55	2.58	2.63
SHK Props	97.25	92.75	92.75	97
Shun Tak Hdgs	5.20	5.05	5.05	5.15
Sino Land Co.	9.20	8.75	8.90	9.05
Sth China Post	7.30	7.10	7.20	7.20
Swire Pac A	71.50	68	68.50	71
Wharf Hdgs	35.20	33.40	33.70	35.20
Wheelock	19.35	18.40	18.75	19.30

Jakarta
Composite index: 695.82 Previous: 691.98

	High	Low	Close	Prev.
Astra Intl	6850	6750	6850	6825
Bk Intl Indon	1975	1950	1950	1925
Bk Negara	1650	1575	1625	1650
Gudang Garm	10450	10200	10200	10175
Indocement	3050	3025	3050	3000
Indofood	5525	5425	5450	5450
Indosat	7450	7425	7450	7425
Sampoerna HM	10600	10325	10350	10325
Semen Gresik	5625	5550	5600	5525
Telekomunikasi	3975	3925	3950	3950

Johannesburg
All Market: 7282.77 Previous: 7228.51

	High	Low	Close	Prev.
Amalgamatd Bks	29.50	28.50	29.25	28.50
AngloAm Coal	297.50	295.50	297.50	295
AngloAm-Corp	274	271	274	270.25
AngloAm Gold	308	304	304.75	300
AngloAm Ind	190.50	189.75	190.25	190
AVMIN	16	15.80	16	15.85
Barlow	47.95	47.50	47.85	47.95
C.G. Smith	25.40	25.15	25.20	25.50
De Beers	163	161.75	162	162
Driefontein	37.10	36.25	37	36.25
Fst Natl Bk	35.80	35.30	35.50	35.45
Gencor	20.90	20.45	20.60	20.45
GFSA	112.50	112	112.50	112.50
Imperial Hdgs	57	56.75	56.75	56.75
Ingwe Coal	31.20	30.75	31	30.75
Iscor	3.14	3.12	3.13	3.12
Johnnies Indl	58	57.50	58	57.25
Liberty Hdgs	349.50	349.50	349.50	349.50
Liberty Life	128.50	127.25	128.25	127
LibLife Strat	17.25	17.20	17.25	17.15
Minorco	105.50	104.75	104.75	105.50
Nampak	18	17.80	17.90	17.80
Nedcor	90.25	89.75	90	89.75
Rembrandt Gp	46	45.75	45.90	46
Richemont	63	62.25	62.25	63
Rust Platinum	79	76	79	75.75
SA Breweries	132.25	131.50	132	131
Samancor	49.50	49	49.20	49.50
Sasol	57	56.50	57	56.50
SBIC	214	213	213	213.50
Tiger Oats	77.75	77.25	77.75	76.75

Kuala Lumpur
Composite: 1117.31 Previous: 1108.84

	High	Low	Close	Prev.
AMMB Hdgs	17.40	17	17.20	17
Genting	13.30	12.80	13.10	12.80
Mal Banking	27.50	26.75	27.25	27
Mal Intl Ship F	5.95	5.90	5.95	5.90
Petronas Gas	9.35	9.20	9.30	9.30
Proton	13	12.60	13	12.60
Public Bk	4	3.94	3.94	4.02
Renong	3.52	3.38	3.40	3.54
Resorts World	8.55	8.35	8.35	8.30
Rothmans PM	26	25.75	25.75	26
Sime Darby	8.40	8.15	8.40	8.15
Telekom Mal	12.70	12.30	12.50	12.40
Tenaga	12.10	11.90	12.10	11.90
Utd Engineers	20.30	19.80	20.10	19.90
YTL	9.05	8.80	8.95	9.05

London
FT-SE 100: 4645.00 Previous: 4576.20

	High	Low	Close	Prev.
Abbey Natl	8.62	8.49	8.53	8.13
Allied Domecq	4.31	4.23	4.29	4.26
Anglian Water	6.72	6.65	6.71	6.69
Argos	6.12	6.02	6.05	6.08
Asda Group	1.26	1.22	1.24	1.24
Assoc Br Foods	5.36	5.29	5.33	5.27
BAA	5.40	5.31	5.31	5.38
Barclays	11.82	11.58	11.72	11.56
Bass	7.65	7.50	7.55	7.70
BAT Ind	5.47	5.35	5.47	5.39
Bank Scotland	3.69	3.61	3.66	3.65
Blue Circle	4.12	4.04	4.12	4.07
BOC Group	10.35	10.25	10.35	10.29
Boots	7.45	6.90	7.01	6.90
BPB Ind	3.35	3.32	3.33	3.31
Brit Aerosp	13.17	12.70	13.11	12.77
Brit Airways	7.27	7.15	7.27	7.17
BG	2.17	2.15	2.16	2.16
Brit Land	6	5.83	5.99	5.90
Brit Petm	7.87	7.33	7.52	7.34
BSkyB	5.99	5.84	5.95	5.86
Brit Steel	1.50	1.48	1.50	1.49
Brit Telecom	4.59	4.52	4.55	4.54
BTR	1.95	1.87	1.88	1.94
Burmah Castrol	11.31	10.30	10.38	10.38
Burton Gp	1.32	1.29	1.31	1.31
Cable Wireless	5.80	4.95	5.64	4.98
Cadbury Schw	5.32	5.22	5.30	5.19
Carlton Comm	5.37	5.18	5.22	5.23
Comml Union	7.05	6.73	7.05	6.77
Compass Gp	6.97	6.90	6.96	6.84
Courtaulds	3.40	3.35	3.39	3.35
Dixons	4.93	4.87	4.88	4.93
Electrocomponents	4.02	3.98	3.98	4
EMI Group	11.59	11.40	11.43	11.50
Energy Group	5.64	5.53	5.60	5.55
Enterprise Oil	7.05	6.98	6.99	6.99
Fam Colonial	1.64	1.62	1.63	1.63
Genl Accident	9.15	8.90	9.15	8.96
GEC	3.35	3.30	3.30	3.32
GKN	10.23	10.16	10.16	10.22
Glaxo Wellcome	12.18	11.95	12.01	11.97
Granada Gp	8.78	8.70	8.77	8.71
Grand Met	5.65	5.59	5.61	5.64
GRE	2.80	2.70	2.79	2.73
Greenalls Gp	4.62	4.58	4.62	4.60
Guinness	5.75	5.65	5.71	5.69
GUS	6.40	6.33	6.37	6.39
Hays	5.72	5.55	5.70	5.63
HSBC Hldgs	18.41	17.81	18.38	18.13
ICI	8.54	8.30	8.49	8.32
Impl Tobacco	3.90	3.83	3.87	3.85
Kingfisher	7.33	7.21	7.26	7.26
Ladbroke	2.50	2.43	2.50	2.45
Land Sec	8.75	8.59	8.75	8.72
Lasmo	2.77	2.45	2.75	2.62
Legal Genl Grp	4.54	4.46	4.52	4.48
Lloyds TSB Gp	6.07	5.80	5.98	5.89
LucasVarity	1.93	1.82	1.92	1.82
Marks Spencer	5.09	5.02	5.09	5.06
MEPC	5.36	5.23	5.28	5.28
Mercury Asset	13.55	13.33	13.55	13.48
National Grid	2.35	2.18	2.23	2.20
Natl Power	5.18	5	5.14	5.01
NatWest	7.90	7.35	7.72	7.42
Next	7.11	7.01	7.10	7.02
Orange	2.12	2.09	2.11	2.12
P&O	6.37	6.25	6.30	6.38
Pearson	7.13	7.03	7.07	7.10
Pilkington	1.18	1.14	1.18	1.17
PowerGen	6.68	6.55	6.65	6.55
Premier Farnell	4.70	4.63	4.65	4.65
Prudential	6.37	6.23	6.36	6.29
Railtrack Gp	6.60	6.42	6.49	6.59
Rank Group	4.50	4.21	4.46	4.24
Reckitt Colm	8.41	8.34	8.39	8.40
Redland	3.27	3.20	3.21	3.24
Reed Intl	5.98	5.92	5.97	5.94
Rentokil Initial	2.28	2.23	2.27	2.25
Reuters Hdgs	6.85	6.72	6.77	6.75
Rexam	2.67	2.57	2.64	2.66
RMC Group	9.80	9.17	9.25	9.20
Rolls Royce	2.49	2.43	2.47	2.44
Royal Bk Scot	6.26	5.98	6.12	6
RTZ reg	10.43	10.15	10.41	10.23
Royal & Sun All	4.70	4.65	4.70	4.64
Safeway	3.55	3.49	3.53	3.48
Sainsbury	3.53	3.47	3.50	3.50
Schroders	16.70	16.60	16.67	16.80
Scot Newcastle	6.64	6.57	6.59	6.66
Scot Power	3.72	3.65	3.70	3.65
Securicor	2.84	2.82	2.83	2.86
Severn Trent	7.73	7.65	7.68	7.67
Shell Transp R	12.02	11.55	11.99	11.85
Siebe	9.62	9.48	9.61	9.53
Smith Nephew	1.73	1.72	1.72	1.72
SmithKline	10.74	10.50	10.74	10.49
Smiths Ind	7.77	7.70	7.75	7.72
Sthern Elec	4.28	4.18	4.24	4.18
Stagecoach	6.90	6.85	6.89	6.89
Stand Charter	9.42	9.19	9.23	9.30
Tate & Lyle	4.54	4.51	4.54	4.53
Tesco	3.76	3.69	3.75	3.69
Thames Water	6.98	6.87	6.92	6.86
3i Group	5.08	5.01	5.07	5
TI Group	5.52	5.46	5.48	5.48
Tomkins	2.60	2.56	2.58	2.57
Unilever	16.22	16.05	16.20	16.09
Utd Assurance	4.70	4.65	4.65	4.64
Utd News	7.84	7.76	7.80	7.82
Utd Utilities	6.92	6.75	6.92	6.76
Vendome Lx uts	4.52	4.42	4.46	4.43
Vodafone	2.92	2.88	2.90	2.91
Whitbread	7.80	7.73	7.77	7.73
Williams Hdgs	3.17	3.13	3.15	3.14
Wolseley	4.67	4.57	4.67	4.60
WPP Group	2.55	2.49	2.53	2.50
Zeneca	18.78	18.48	18.63	18.53

Madrid
Bolsa index: 574.95 Previous: 564.41

	High	Low	Close	Prev.
Acerinox	28150	27520	28050	27490
ACESA	1835	1805	1825	1800
Aguas Barcelon	5900	5800	5870	5810
Argentaria	8020	7740	8000	7770
BBV	11100	10820	11050	10800
Banesto	1545	1515	1530	1520
Bankinter	26000	25140	25830	25050
Bco Centro Hisp	4940	4825	4845	4800
Bco Popular	32950	32260	32700	31800
Bco Santander	13400	13010	13390	12960
CEPSA	5200	5110	5160	5200
Continente	2920	2810	2920	2800
Corp Mapfre	7630	7420	7630	7410
Endesa	11600	11210	11540	11310
FECSA	1345	1315	1340	1315
Gas Natural	29760	29200	29260	29300
Iberdrola	1800	1765	1780	1775
Pryca	2830	2705	2815	2745
Repsol	6410	6310	6350	6290
Sevillana Elec	1450	1400	1445	1410
Tabacalera	7520	7350	7500	7420
Telefonica	4365	4320	4340	4315
Union Fenosa	1315	1300	1315	1310
Valenc Cement	2080	2045	2070	2070

Manila
PSE index: 2742.88 Previous: 2778.44

	High	Low	Close	Prev.
Ayala B	19.25	18.75	18.75	19
Ayala Land	21.50	21.25	21.25	21.50
Bk Philip Isl	163	160	163	160
C&P Homes	9.80	9.70	9.80	9.70
Manila Elec A	93.50	93	93	93
Metro Bank	545	530	540	545
Petron	7.10	7	7.10	7
PCIBank	260	257.50	260	260
Phil Long Dist	800	790	790	795
San Miguel B	76.50	71.50	72	77
SM Prime Hdg	7.60	7.10	7.30	7.50

Mexico
Bolsa index: 4151.28 Previous: 4119.53

	High	Low	Close	Prev.
Alfa A	48.40	47.90	48.30	48.00
Banacci B	19.52	18.90	19.30	18.88
Cemex CPO	31.30	31.20	31.20	31.35
Cifra C	12.20	11.68	11.84	12.30
Emp Modema	39.25	39.10	39.10	39.25
Gpo Carso A1	48.00	47.20	47.70	47.10
Gpo F Bcomer	1.97	1.78	1.90	1.78
Gpo Fin Inbursa	28.20	28.00	28.00	28.00
Kimb Clark Mex	30.35	30.20	30.20	30.40
Televisa CPO	118.00	117.50	117.70	118.00
TelMex L	18.78	18.48	18.78	18.50

Milan
MIB Telematico: 12277.00 Previous: 12256.00

	High	Low	Close	Prev.
Alleanza Assic	11000	10865	10930	10955
Bca Comm Ital	3490	3450	3470	3440
Bca Fideuram	4495	4305	4325	4425
Bca di Roma	1197	1177	1179	1181
Benetton	23500	23150	23250	23400
Credito Italiano	2645	2600	2635	2600
Edison	7850	7765	7765	7750
ENI	8770	8675	8725	8635
Fiat	5850	5740	5800	5720
Generali Assic	28950	28700	28700	28800
IMI	15000	14705	14750	14825
INA	2430	2400	2420	2415
Italgas	5200	5155	5155	5185
Mediaset	7350	7215	7215	7315
Mediobanca	9750	9605	9650	9680
Montedison	1046	1035	1038	1045
Olivetti	490	480	482	484
Parmalat	2475	2435	2450	2435
Pirelli	3925	3850	3880	3870
RAS	13150	12875	12900	12970
Rolo Banca	18470	18200	18300	18400
S Paolo Torino	10905	10805	10860	10910
Stet	8580	8495	8510	8530
Telecom Italia	4640	4615	4630	4640
TIM	5155	5050	5120	5140

Montreal
Industrials index: 3332.22 Previous: 3302.51

	High	Low	Close	Prev.
Bce Mob Com	42.70	42½	42.70	43½
Cdn Tire A	26.35	26.25	26.35	26.10
Cdn Util A	35.45	35.20	35.45	35¼
CT Finl Svc	36.90	36.90	36.90	36.90
Gaz Metro	18	17.90	18	17.95
Gt-West Lifeco	29½	29½	29½	29¼
Imasco	39⅛	38.90	39.10	39.10
Investors Grp	28.45	28.45	28.45	28⅜
Loblaw Cos	19.95	19.85	19.85	19.90
Natl Bk Canada	17.20	16.85	17.15	17.10
Power Corp	32¾	32½	32½	32½
Power Finl	31¼	31	31.45	31.40
Quebecor B	26¼	26.10	26.20	26.15
Rogers Comm B	7.85	7.80	7.85	7.90
Royal Bk Cda	60.30	59⅝	60⅛	60

Oslo
OBX index: 640.98 Previous: 634.63

	High	Low	Close	Prev.
Aker A	140	135.50	140	135
Bergesen Dy A	171	168.50	169	168
Christiania Bk	24.60	24.40	24.50	24.40
Den norske Bk	29	28.30	28.90	28.40
Elkem	140	139	139.50	140
Hafslund A	44.50	44.30	44.30	44.30
Kvaerner Asa	410	404.50	405.50	407
Norsk Hydro	375	370	375	368.50
Norske Skog A	257	252	256	251.50
Nycomed A	106	104	106	104
Orkla Asa A	575	565	567	568
Petm GeoSvc	317	312	314	310
Saga Petm A	145	143	144.50	142
Schibsted	141	140	141	140
Transocean Off	N.T.	N.T.	N.T.	515
Storebrand Asa	47	46.40	46.50	47

Paris
CAC-40: 2719.25 Previous: 2690.85

	High	Low	Close	Prev.
Accor	893	877	879	887
AGF	172.80	169.10	172	168.90
Air Liquide	945	926	941	936
Alcatel Alsth	645	632	642	630
Axa-UAP	349	344	345.50	345.80
Bancaire	710	684	687	700
BIC	925	903	905	919
BNP	230	225.20	228	227.40
Canal Plus	1060	1031	1042	1040
Carrefour	3990	3891	3980	3925
Casino	287.90	276	287.70	276.30
CCF	243.40	240.20	242	242.50
Cetelem	692	673	680	687
Christian Dior	934	920	930	925
CLF-Dexia Fran	569	562	565	563
Credit Agricole	1246	1246	1246	1270
Danone	939	919	936	928
Elf-Aquitaine	655	631	651	632
Eridania BS	874	853	871	853
Eurodisney	9.10	8.95	9.05	8.95
Eurotunnel	6.25	6.10	6.10	6.20
Gen. Eaux	733	715	732	728
Havas	414.50	405.50	409	413.30
Imetal	807	793	805	800
Lafarge	392	384.50	390	385
Legrand	1045	1026	1045	1041
L'Oreal	2247	2202	2243	2223
LVMH	1498	1464	1479	1470
Lyon. Eaux	554	545	548	552
Michelin B	340	333.10	334	335.10
Paribas A	367	362.50	365.70	362.60
Pernod Ricard	304	300.10	302.30	295.10
Peugeot Cit	589	561	569	580
Pinault-Print	2658	2595	2630	2541
Promodes	2190	2116	2174	2115
Renault	140	135.10	136.90	138
Rexel	1726	1705	1707	1714
Rh-Poulenc A	205.50	196.10	201.10	203.10
Sanofi	563	545	558	546
Schneider	307.50	300.40	306.50	306.10
SEB	1089	1044	1077	1093
SGS Thomson	448.90	431	445	471
Ste Generale	625	608	624	608
Sodexho	2900	2800	2900	2790
St Gobain	830	807	828	813
Suez	287.50	284.40	286	288.20
Synthelabo	715	700	713	700
Thomson CSF	166	160.20	162.80	159.50
Total B	572	547	564	547
Usinor	96.10	90.60	96.10	92.35
Valeo	363.60	358.30	359	361.90

São Paulo
Bovespa index: 11287.60 Previous: 11166.38

	High	Low	Close	Prev.
Bradesco Pfd	8.85	8.40	8.85	8.50
Brahma Pfd	849.990	809.00	840.00	809.00
Cemig Pfd	55.00	54.00	54.30	54.90
CESP Pfd	62.90	60.90	61.80	61.20
Copel	15.70	15.250	15.60	15.70
Eletrobras	490.00	484.00	486.00	488.00
Itaubanco Pfd	527.00	520.00	527.00	520.00
Light Servicios	512.00	495.00	512.00	495.00
Lightpar	356.80	350.00	356.00	350.00
Petrobras Pfd	258.00	250.00	257.00	249.00
Paulista Luz	164.00	158.50	163.00	157.00
Sid Nacional	34.70	34.60	34.70	35.00
Souza Cruz	10.60	10.150	10.60	10.27
Telebras Pfd	146.80	143.50	146.35	143.50
Telemig	174.50	172.80	174.50	172.00
Telerj	164.00	152.00	160.00	164.40
Telesp Pfd	344.00	338.00	338.00	343.50
Unibanco	39.50	38.90	39.50	38.960
Usiminas Pfd	1.14	1.12	1.13	1.13
CVRD Pfd	23.20	22.90	23.05	23.00

Market Closed

The Seoul stock market was closed Friday for a holiday.

Singapore
Straits Times: 2022.20 Previous: 2043.71

	High	Low	Close	Prev.
Asia Pac Brew	6.50	6.50	6.50	6.45
Cerebos Pac	8.10	8.05	8.10	8
City Devlts	14	13.60	13.80	13.90
Cycle Carriage	14.60	14.30	14.50	14.40
Dairy Farm Int*	0.78	0.74	0.77	0.74
DBS foreign	18.90	18.30	18.70	18.40
DBS Land	4.74	4.62	4.68	4.74
Fraser & Neave	11.20	10.50	10.90	11.10
HK Land*	3.04	2.73	2.95	2.73
Jard Matheson*	8.35	7.50	8.30	7.35
Jard Strategic*	4	3.84	3.94	3.82
Keppel	6.35	6.25	6.35	6.25
Keppel Bank	3.80	3.78	3.78	3.80
Keppel Fels	4.84	4.82	4.84	4.78
Keppel Land	4.10	4.06	4.08	4.10
OCBC foreign	15.40	15.20	15.40	15.20
OS Union Bk F	9.45	9.35	9.35	9.30
Parkway Hdgs	6.55	6.55	6.50	6.60
Sembawang	6.90	6.90	6.90	6.90
Sing Air foreign	12.70	12.50	12.60	12.50
Sing Land	7.10	7.05	7.10	7.10
Sing Press F	29.20	29	29.20	28.70
Sing Tech Ind	4.02	3.94	3.98	4.02
Sing Telecomm	2.61	2.56	2.61	2.61
Tat Lee Bank	3.36	3.36	3.36	3.36
Utd Industrial	1.15	1.14	1.14	1.15
Utd OSea Bk F	16	15.70	15.80	15.80
Wing Tai Hdgs	4.30	4.10	4.16	4.20

*: in U.S. dollars.

Stockholm
SX 16 index: 3086.60 Previous: 3060.35

	High	Low	Close	Prev.
AGA B	103	101.50	103	101.50
ABB A	110	107.50	110	108
AssiDoman	216.50	209	216.50	211
Astra A	130	128	129.50	128
Atlas Copco A	213	209	210.50	210.50
Autoliv	308	302	307.50	308
Electrolux B	470	457	458	457.50
Ericsson B	287.50	282	286	281.50
Hennes B	246	237.50	246	234.50
Incentive A	691	685	686	690
Investor B	393	389	391	390
MoDo B	244.50	237	242	237
Nordbanken	240	235.50	236	236
Pharm/Upjohn	270	267.50	268	267.50
Sandvik B	214	211.50	213	212
Scania B	220.50	219.50	220	220
SCA B	166.50	163	164.50	164
S-E Banken A	83	81.50	82	82
Skandia Fors	276.50	271.50	272.50	275
Skanska B	337	329	334	328.50
SKF B	181	179	180.50	179
Sparbanken A	165	156	164	156.50
Stadshypotek A	190	190	190	190
Stora A	117.50	114.50	116.50	114.50
Sv Handles A	229	221	224.50	221
Volvo B	211	206	206.50	210.50

Sydney
All Ordinaries: 2600.90 Previous: 2604.20

	High	Low	Close	Prev.
Amcor	8.56	8.45	8.47	8.53
ANZ Bkng	9.10	8.76	9.09	8.79
BHP	18.86	18.63	18.72	18.83
Boral	4.07	4	4.06	4.07
Brambles Ind.	23.60	23.49	23.55	23.58
CBA	14.33	14.16	14.21	14.30
CC Amatil	15.86	15.30	15.40	15.87
Coles Myer	6.40	6.28	6.30	6.31
Comalco	7.15	6.90	7	7.15
CSR	4.82	4.75	4.79	4.82
Fosters Brew	2.56	2.48	2.53	2.60
Goodman Fld	1.77	1.75	1.76	1.76
ICI Australia	12.15	12	12.05	12.10
Lend Lease	26.40	25.95	25.99	26.39
MIM Hdgs	1.85	1.83	1.85	1.84
Nat Aust Bank	18.94	18.77	18.77	18.88
Nat Mutual Hdg	1.91	1.88	1.89	1.91
News Corp	5.76	5.70	5.76	5.69
Pacific Dunlop	3.76	3.63	3.64	3.74
Pioneer Intl	4.55	4.52	4.53	4.52
Pub Broadcast	6.97	6.92	6.95	6.98
Rio Tinto	21.02	20.70	20.85	21.07
St George Bank	7.89	7.82	7.86	7.88
WMC	8.25	8.11	8.23	8.12
Westpac Bkng	7.33	7.15	7.17	7.20
Woodside Pet	11.07	10.80	11.04	10.81
Woolworths	4.01	3.96	4	3.96

Taipei
Stock Market index: 8342.94 Previous: 8231.30

	High	Low	Close	Prev.
Cathay Life Ins	146	143	142.50	143
Chang Hwa Bk	118	115	116	115
Chiao Tung Bk	68	66	67	66.50
China Develpmt	122	118	122	117
China Steel	29.50	29.10	29.10	29.30
First Bank	116	114	115	113
Formosa Plastic	73.50	72	72	72.50
Hua Nan Bk	115	112.50	113	112
Intl Comm Bk	67	65	65.50	65
Nan Ya Plastics	78	76.50	77.50	76
Shin Kong Life	90.50	88.50	89.50	88
Taiwan Semi	128	124.50	127.50	124.50
Tatung	56	55	55	55.50
Utd Micro Elec	85.50	82.50	85.50	82
Utd World Chin	68	67	67.50	68

Tokyo
Nikkei 225: 20485.75 Previous: 20488.15

	High	Low	Close	Prev.
Ajinomoto	1210	1200	1210	1240
All Nippon Air	759	745	750	760
Amway	4400	4360	4370	4360
Asahi Bank	781	766	780	772
Asahi Chem	677	666	675	685
Asahi Glass	1150	1140	1150	1150
Bk Tokyo Mitsu	2050	2020	2030	2040
Bk Yokohama	587	580	587	587
Bridgestone	2700	2680	2680	2680
Canon	3080	3040	3060	3070
Chubu Elec	2100	2080	2100	2100
Chugoku Elec	2050	2030	2030	2040
Dai Nipp Print	2400	2370	2400	2380
Daiei	798	782	795	789
Dai-Ichi Kang	1310	1240	1250	1330
Daiwa Bank	458	450	458	451
Daiwa House	1390	1360	1370	1380
Daiwa Sec	893	883	889	894
DDI	9090a	9000a	9050a	9050a
Denso	2930	2910	2920	2890
East Japan Ry	5790a	5740a	5770a	5800a
Eisai	2290	2260	2270	2280
Fanuc	4370	4280	4320	4300
Fuji Bank	1580	1540	1560	1580
Fuji Photo	4770	4710	4750	4770
Fujitsu	1480	1450	1470	1470
Hachijuni Bk	1100	1090	1090	1090
Hitachi	1270	1250	1260	1270
Honda Motor	3510	3460	3500	3520
IBJ	1450	1420	1430	1440
IHI	444	435	444	436
Itochu	618	604	615	614
Ito-Yokado	6730	6680	6710	6630
JAL	502	496	496	499
Japan Tobacco	9100a	9050a	9090a	9050a
Jusco	4130	4000	4080	3970
Kajima	658	645	650	659
Kansai Elec	2280	2230	2240	2280
Kao	1600	1580	1600	1600
Kawasaki Hvy	522	514	515	510
Kawa Steel	355	350	352	356
Kinki Nipp Ry	702	699	700	703
Kirin Brewery	1210	1180	1190	1180
Kobe Steel	224	222	224	224
Komatsu	939	920	929	917
Kubota	581	569	579	581
Kyocera	9210	9040	9130	9240
Kyushu Elec	2050	2030	2030	2040
LTCB	385	377	385	381
Marubeni	512	503	510	512
Marui	2270	2220	2260	2210
Matsu Comm	3770	3700	3750	3760
Matsu Elec Ind	2240	2190	2220	2240
Matsu Elec Wk	1330	1300	1320	1340
Mitsubishi	1390	1370	1380	1400
Mitsubishi Ch	375	370	374	372
Mitsubishi El	698	684	686	698
Mitsubishi Est	1720	1670	1700	1710
Mitsubishi Hvy	865	843	855	853
Mitsubishi Mat	866	862	866	862
Mitsubishi Tr	1600	1560	1570	1610
Mitsui	1050	1030	1040	1050
Mitsui Fudosn	1590	1550	1570	1590
Mitsui Trust	874	850	864	863
Murata Mfg	4740	4720	4720	4740
NEC	1650	1620	1640	1650
Nikon	2020	1980	2000	2030
Nikko Sec	698	683	690	699
Nintendo	9630	9550	9600	9540
Nipp Express	925	900	917	918
Nippon Oil	624	613	613	616
Nippon Steel	351	347	348	350
Nissan Motor	823	809	816	817
NKK	243	239	242	240
Nomura Sec	1360	1340	1360	1360
NTT	1110b	1080b	1080b	1100b
NTT Data	4540b	4460b	4490b	4510b
Oji Paper	710	688	710	704
Osaka Gas	302	299	302	299
Ricoh	1530	1510	1520	1530
Rohm	11500	11200	11200	11700
Sakura Bk	744	728	742	733
Sankyo	3800	3710	3760	3810
Sanwa Bank	1510	1480	1510	1490
Sanyo Elec	531	520	525	517
Secom	8450	8380	8430	8490
Seibu Rwy	5990	5910	5910	5910
Sekisui Chem	1220	1170	1200	1230
Sekisui House	1220	1200	1210	1200
Seven-Eleven	8720	8650	8680	8750
Sharp	1560	1540	1550	1570
Shikoku El Pwr	1960	1950	1950	1950
Shimizu	696	673	689	681
Shin-etsu Ch	2920	2850	2880	2960
Shiseido	1860	1810	1840	1800
Shizuoka Bk	1170	1150	1170	1150
Softbank	7750	7690	7700	7800
Sony	10000	9870	9950	10000
Sumitomo	1030	997	1010	1040
Sumitomo Bk	1710	1670	1680	1710
Sumit Chem	492	483	490	492
Sumitomo Elec	1860	1840	1860	1840
Sumit Metal	310	303	309	312
Sumit Trust	1110	1080	1090	1030
Taisho Pharm	2990	2940	2950	2980
Takeda Chem	3050	3010	3050	3040
TDK	8760	8670	8710	8870
Tohoku El Pwr	2020	2000	2020	2020
Tokai Bank	998	985	997	994
Tokio Marine	1400	1370	1380	1390
Tokyo El Pwr	2280	2260	2280	2270
Tokyo Electron	5590	5410	5460	5670
Tokyo Gas	310	303	310	308
Tokyu Corp.	726	702	712	715
Tonen	1420	1390	1410	1410
Toppan Print	1660	1630	1650	1670
Toray Ind	793	786	792	793
Toshiba	752	741	741	739
Tostem	3150	3080	3130	3080
Toyo Trust	827	815	827	815
Toyota Motor	3420	3380	3410	3410
Yamanouchi	2930	2910	2920	2930

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6490.89 Previous: 6449.48

	High	Low	Close	Prev.
Abitibi Cons.	24.90	24.55	24.80	24¾
Alberta Energy	33.65	33.35	33.45	33.45
Alcan Alum	49.40	48.55	49.20	49.30
Anderson Expl	19.30	19	19	19.15
Bk Montreal	53.80	53.10	53.80	53¼
Bk Nova Scotia	59.60	58.55	59.60	58⅜
Barrick Gold	33.90	33.45	33.70	33.40
BCE	38.70	38.15	38.65	38.20
BC Telecomm	31.60	31.20	31.20	31.70
Biochem Pharm	33½	33	33¼	33½
Bombardier B	30.35	29½	30.30	29.45
Brascan A	35¼	35	35.20	35.15
Cameco	53.70	53	53.70	53
CIBC	33.45	32.85	33.45	33.60
Cdn Natl Rail	54.95	54⅛	54⅝	56.85
Cdn Nat Res	38½	36½	38.10	36.55
Cdn Occid Pet	32.85	31.65	32.15	31.55
Cdn Pacific	37.30	36½	37¼	36.40
Cominco	39.10	38.90	39	39.20
Dofasco	27	26½	27	26.95
Domtar	11.85	11.70	11¾	11.65
Donohue A	30½	30	30.20	30.10
Du Pont Cda A	32	31¾	32	32¼
Edper Group	24.10	23.85	23.90	23.95
EuroNev Mng	43.40	42.30	43.40	42
Fairfax Finl	347½	339	344	339
Falconbridge	29.80	29.70	29¾	29.70
Fletcher Chall A	23¾	23¼	23¾	23¼
Franco Nevada	76	74	75¼	73.80
Gulf Cda Res	12.70	11.80	11.95	12.25
Imperial Oil	69.15	68.80	69.05	69.05
Inco	44.60	44.05	44.60	43.95
IPL Energy	43.30	43	43.20	43.10
Laidlaw B	18.80	18.65	18¾	18.70
Loewen Group	48	47.70	47.80	48
Macmill Bldl	20.30	20	20.15	20.15
Magna Intl A	74.20	73.55	74	73¾
Methanex	12.95	12.80	12.95	12.80
Moore	30¼	30.15	30.40	30.15
Newbridge Net	55.85	54.90	55.35	55½
Noranda Inc	31.20	30.85	31.20	30.80
Norcen Energy	33.35	33	33	33.20
Nthern Telecom	122	120¼	121.55	120.60
Nova	11.70	11.55	11.60	11.55
Onex	26¼	26¼	26¼	26¼
Pancdn Petlm	30	29½	29.80	29.90
Petro Cda	23¾	23.55	23.70	23.55
Placer Dome	25.40	24.90	25.20	24.85
Poco Petlm	14.95	14¼	14.80	14.85
Potash Sask	115¼	113.35	115¼	113.05
Renaissance	42.30	41.85	42	42.05
Rio Algom	36.30	36.20	36.20	36¼
Rogers Cantel B	25	25	25	24¾
Seagram Co	57.15	56½	57.10	56.40
Shell Cda A	60.40	59¾	60¼	59¾
Suncor	36.90	36.20	36.20	36
Talisman Eny	46½	46.05	46.30	46.70
Teck B	31.15	30.70	31.05	30½
Teleglobe	43½	43.40	43½	43.35
Telus	24.60	24.45	24.55	24.60
Thomson	32¼	31.80	32.10	32
TorDom Bank	42.45	42.10	42.45	42.30
Transalta	15.95	15.80	15.95	15.90
TransCda Pipe	28.20	27.70	27.95	27.80
Trimark Finl	56¼	55½	55½	55¼
Trizec Hahn	30	29.70	29.90	29.85
TVX Gold	8.85	8.60	8⅝	8.60
Westcoast Eny	25.20	24.90	25.20	25.10
Weston	91	89.90	91	90

Vienna
ATX index: 1305.35 Previous: 1306.92

	High	Low	Close	Prev.
Boehler-Uddeh	973	950.05	967	953.50
Creditanst Pfd	480	467	478	480.70
EA-Generali	3048	3011	3030	3045
EVN	1750	1710	1734.75	1733
Flughafen Wien	524.95	520	522.50	523
OMV	1586	1567.75	1567.75	1579.90
Oest Elektriz	892.90	880.55	881	888.90
VA Stahl	563.30	554.10	556.20	557
VA Tech	2205	2135	2170	2142
Wienerberg Bau	2556	2500	2521	2545

Wellington
NZSE-40 index: 2376.14 Previous: 2342.78

	High	Low	Close	Prev.
Air N Zeald B	4.26	4.24	4.26	4.25
Brierly Invt	1.37	1.36	1.36	1.37
Carter Holt ord	3.60	3.53	3.56	3.52
Fletch Ch Bldg	4.01	3.98	3.98	4.00
Fletch Ch Eny	4.53	4.45	4.48	4.43
Fletch Ch Forst	1.98	1.97	1.97	1.97
Fletch Ch Paper	3.45	3.37	3.37	3.39
Lion Nathan	3.67	3.62	3.66	3.62
Telecom NZ	7.20	7.08	7.19	7.08
Wilson Horton	11.75	11.55	11.61	11.80

Zurich
SPI index: 3368.53 Previous: 3327.99

	High	Low	Close	Prev.
ABB B	2105	2059	2099	2056
Adecco B	528	518	527	518
Alusuisse R	1432	1405	1430	1396
Ares-Serono B	2145	2080	2145	2080
Atel R	875	855	855	872
Baer Hdg B	1990	1972	1990	1978
Baloise Hdg R	3350	3290	3325	3265
BK Vision	1150	1115	1150	1114
Ciba Spec Chem	140	137	137.50	135.25
Clariant R	947	935	946	926
Crd Suisse Gp R	196.50	192.25	196.50	194.25
Elektrowatt B	541	538	541	541
Ems-Chemie	6495	6430	6485	6395
ESEC Hdg	4800	4700	4750	4780
Holderbank B	1355	1317	1345	1316
Liechtenst LB B	489	486	489	486
Nestle R	1833	1818	1828	1810
Novartis R	2003	1979	1990	1985
Oerlikn Buehl R	170	165.25	170	169
Pargesa Hld B	1850	1810	1850	1805
PharmVisn B	842	829	842	825
Richemont A	2054	2026	2035	2035
Pirelli PC	252.50	250	252	251
Roche Hdg PC	13360	13115	13275	13155
SBC R	365	355.50	365	359.50
Schindler PC	1870	1815	1855	1820
SGS B	3230	3180	3195	3150
SMH B	903	886	899	883
Sulzer R	1193	1180	1191	1190
Swiss Reins R	1996	1973	1996	1974
Swissair R	1460	1440	1460	1454
UBS B	1670	1610	1670	1610
Winterthur R	1237	1201	1237	1210
Zurich Assur R	556	537	556	534

The Trib Index
Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	167.93	+1.63	+0.98	+12.60
Regional Indexes				
Asia/Pacific	125.20	+0.07	+0.06	+1.43
Europe	175.30	+1.81	+1.04	+8.75
N. America	194.94	+2.72	+1.42	+20.40
S. America	157.41	+1.88	+1.21	+37.56
Industrial Indexes				
Capital goods	204.61	+2.38	+1.18	+19.71
Consumer goods	188.36	+1.69	+0.91	+16.68
Energy	200.67	+3.70	+1.88	+17.55
Finance	125.06	+0.73	+0.59	+7.38
Miscellaneous	167.32	-0.59	-0.35	+3.42
Raw Materials	183.68	+1.98	+1.09	+4.73
Service	160.00	+1.83	+1.16	+16.52
Utilities	143.75	+0.61	+0.43	+0.20

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

NASDAQ

Friday's 4 P.M.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Friday's 4 P.M. Close
(Continued)

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AFP/Jiji Press

Investigators staging a second raid Friday at the Dai-Ichi Kangyo Bank.

Tokyo Again Raids Dai-Ichi

Compiled by Our Staff From Dispatches

TOKYO — Japanese prosecutors raided the headquarters of Dai-Ichi Kangyo Bank on Friday in connection with a payoff scandal, as Finance Minister Hiroshi Mitsuzuka hinted at tough penalties for the bank.

Investigators from the Tokyo District Public Prosecutors Office staged a second raid on the bank's headquarters in central Tokyo, following up on a May 20 raid, reports said.

The prosecutors' office refused to comment on the investigation.

Investigators are believed to be looking for evidence that the bank provided loans to Ryuichi Koike, a reputed *sokaiya*, or mob extortionist, who is at the center of a payoff scandal involving Nomura Securities Co.

The Ministry of Posts and Telecommunications, which oversees the world's largest savings institution, said it was suspending dealings with Dai-Ichi because of the bank's involvement in the scandal.

"We'll decide how long to halt trading with Dai-Ichi Kangyo after seeing what measures the Ministry of Finance takes against the bank," the Posts Minister, Hisao Horinouchi, said.

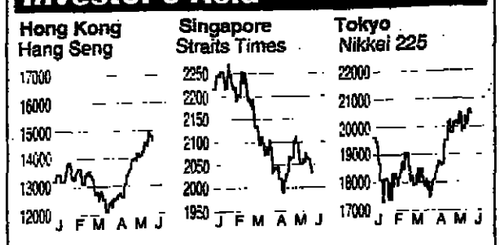
The ministry purchases deposits issued by Dai-Ichi Kangyo and keeps time deposits at the bank. Mr. Horinouchi said, though he did not say how much business the ministry does with the bank.

The Posts Ministry's action follows suspensions of dealings by local governments, public corporations and private companies.

One former executive and three present executives of Dai-Ichi Kangyo were arrested Thursday on suspicion of providing Koike with a total of 11.78 billion yen ($101.3 million) over a two-year period beginning in 1994 to buy his silence at the bank's shareholders meetings.

The four are suspected of violating the Japanese commercial code, which bans payoffs to sokaiya. They could face prison terms of up to six months and fines of up to 300,000 yen if convicted. *(AFP, Bloomberg)*

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	14,655.13	14,795.52	-0.95
Singapore	Straits Times	2,032.30	2,043.71	-0.56
Sydney	All Ordinaries	2,600.90	2,604.20	-0.13
Tokyo	Nikkei 225	20,485.75	20,488.15	-0.01
Kuala Lumpur	Composite	1,117.31	1,108.84	+0.76
Bangkok	SET	530.62	548.05	-3.18
Seoul	Composite Index	Closed	765.67	-
Taipei	Stock Market Index	8,342.94	8,231.30	+1.36
Manila	PSE	2,762.80	2,778.44	-0.56
Jakarta	Composite Index	695.02	691.98	+0.44
Wellington	NZSE-40	2,376.14	2,362.78	+0.57
Bombay	Sensitive Index	3,875.13	3,873.85	+0.03

Source: Telekurs International Herald Tribune

Thai Shares Dive Further After Bank Downgrades

Compiled by Our Staff From Dispatches

BANGKOK — Thai stocks plunged anew Friday after the principal national ratings agency issued promised downgradings of the debts of 14 banks and financial companies.

The Stock Exchange of Thailand benchmark index fell 17.43 points, or 3.2 percent, to 530.62, its lowest level since May 26, 1989.

Thai Rating and Information Services said it had downgraded the senior debts of the No. 1 commercial bank, Bangkok Bank PLC, to "AA plus" from "AAA." It also cut the credit rating of the senior debt of Thailand's third-largest commercial institution, Thai Farmers Bank PLC, to "AA plus" from "AAA."

Phatra Thanakit Finance PLC's senior debt rating was cut to "A" from "AA."

Bangkok Bank shares fell to 142 baht ($5.84), down 6; Thai Farmers Bank fell 4.5 baht to 93.

TRIS said the downgrades reflected concerns over the increase in bad loans in the financial and banking sectors, which are groaning under the weight of massive bad loans that have been left behind after the sliding property sector was hit by the country's severe economic slump.

But Standard & Poor's Corp. said it had no plans to cut Thailand's sovereign long-term credit rating of "A," as some traders had predicted after the American ratings service downgraded the debt of the government-controlled lender Industrial Finance Corp. of Thailand this week. *(AFP, Bloomberg)*

China Raises Stake in Hong Kong Telecom

Compiled by Our Staff From Dispatches

HONG KONG — China said Friday it would buy a 5.5 percent stake in Hong Kong Telecommunications Ltd. from Cable & Wireless PLC of Britain, strengthening its hold on Hong Kong business before the territory's return to Chinese rule July 1 and giving the British company a foothold on the mainland.

China Telecom, a unit of China's Ministry of Posts and Telecommunications, will pay 14.25 Hong Kong dollars per share ($1.84), valuing the stake at 9.18 billion dollars. China Telecom will have one member on the board of Hong Kong Telecom, while Cable & Wireless will gain rights to participate in Chinese telecommunications projects.

Another Chinese state-owned entity, China Everbright, is currently buying a 7.7 percent stake in Hong Kong Telecom from China International Trust & Investment Corp., a joint venture between the Chinese government and Hong Kong investors. Combining the two deals, Beijing-controlled entities will own 13.2 percent of the Hong Kong telecommunications provider. Cable & Wireless will still have management control, with a stake of more than 53 percent.

For China, the transaction brings another of Hong Kong's basic industries under its influence. In the past year, China took stakes in Hong Kong's two airlines and its largest utility. For Cable & Wireless, the sale provides cash to reduce debt, pursue further acquisitions and identify business opportunities in one of the world's fastest growing telecommunications markets.

"It makes Hong Kong Telecom the preferred partner in the early development of telecommunications in China," said Doug Hawkins, an analyst at Nomura Research Institute, in London. China is "one of the least telephoned economies on the threshold of major expansion," he added.

Before the announcement, Hong Kong Telecommunications shares soared after the company confirmed that Cable & Wireless was in talks with Chinese authorities. Stock in Hong Kong Telecom rose 11 percent, to a record 19.00 dollars in heavy trading. The stock has risen 53 percent so far this year.

Shares in Cable & Wireless soared 13 percent in London, to 564 pence ($9.20).

Analysts say Cable & Wireless would not want to lose majority control of Hong Kong Telecom, because it contributes as much as 70 percent of the parent company's profit.

Last month, the State Council, China's cabinet, agreed in principle to let China United Telecommunications Corp. operate local phone networks in three regions. Unicom, as the company is known, is a partner with Sprint Corp. and Metromedia Co. of the United States, so the move was seen as opening the door to foreign companies' participation in the expansion of China's phone system.

Only about one in 20 people in China has a phone, compared with one in two in Hong Kong. But the industry in China is growing at about 30 percent a year. *(Bloomberg, Reuters)*

■ A Red-Chip Warning

Investors swept up in the current wave of "red-chip fever" for China-related stocks are at risk of losses because of the poor health of many mainland state-owned companies, a leading economist said Friday, Reuters reported from Hong Kong.

Demand for red-chips, or Hong Kong-listed companies with mainland ties, has come amid a burst of optimism about Hong Kong's handover to China in three weeks.

But Kenneth Courtis, chief economist at Deutsche Bank Group Asia Pacific, warned that the speculative gains could be short-lived in light of serious problems with mainland Chinese companies.

"People who are rushing into the streets to try to pay their $100 to get a subscription form may think they'll be able to sell that some time soon," Mr. Courtis said. "Things like that usually end in tears and it won't be any different this time."

Beijing Ban Hits Stock Market

Agence France-Presse

SHANGHAI — Share prices fell Friday on the Shanghai and Shenzhen stock exchanges after the Chinese central bank banned commercial banks from trading stocks for their own accounts.

The government issued a notice drafted by the People's Bank of China late Thursday outlining the new rules, which are aimed at controlling volatile stock markets.

The notice, which was broadcast on state-run television news, said funds from commercial banks had been flowing steadily into the country's two stock markets through various illicit channels in recent years.

"This has disrupted the financial order and increased financial risks," it said.

The Shanghai Stock Exchange's composite index of locally traded A shares and hard-currency B shares, which are nominally reserved for foreigners, fell 84.93 points, or 6 percent, to finish at 1,275.30.

In Shenzhen, the composite index fell 288.2 points, or 5.6 percent, to 4,847.

Xu Zhilin, an analyst with Guotai Securities Co., said stocks bought for banks' accounts would come under selling pressure as banks cleared their positions to meet the 10-day deadline.

The bank also banned all commercial banks from engaging in Treasury-bond repurchases and spot bond trading on the stock exchange from Friday, saying existing repurchase agreements would be allowed to expire normally.

Commercial banks will be allowed, instead, to buy bonds on negotiated repurchase agreements at the national interbank market.

The new rules come just two weeks after the government implemented a ban on stock speculation by state-owned and private enterprises.

Very briefly:

- **Direct foreign investment in Japan** more than doubled in the year ended March 31, rising 109 percent to 770 billion yen ($6.65 billion), as a weaker yen and lower rents prompted overseas companies to increase spending.
- **Japan** plans to send Finance Minister Hiroshi Mitsuzuka to China after the Group of Seven summit meeting with Russia in Denver. Japanese officials are reportedly determined to send the minister to Beijing following the decision to include Russia in the meeting, since China will not be represented.
- **Samsung Group** of South Korea plans to spend $500 million to expand Malaysian operations.
- Ministers of **Bangladesh, India, Sri Lanka and Thailand** launched a new regional economic organization.
- **Telephone & Telecommunications Pcl**, struggling with high debt and lower-than-expected earnings, proposed giving the government's regulatory agency, Telephone Organization of Thailand, 250 million new shares, or 25 percent of the enlarged company in return for dropping the requirement it pay the agency 43.1 percent of its revenue.
- **Kentucky Fried Chicken**, a unit of **Pepsico Inc.**, has signed a deal in Ho Chi Minh City with a local company to open its first outlet in Vietnam. *Bloomberg, Reuters, AFP*

Manila to Curb Dollar Lending

Bloomberg News

MANILA — The Philippine central bank said Friday that it would curb banks' dollar lending through a new rule in its latest effort to prevent a crisis such as the one that led to a run on the Thai baht last month.

The bank said its policy-setting board approved a measure requiring banks to keep at least 30 percent of their foreign-exchange assets in cash or securities easily traded. The control affects banks' ability to make loans from their $15 billion in foreign-currency deposits. A surge in dollar loans has caused the money supply to balloon, raising concerns about expansion.

YOUNG: *Vietnam's Big Boom*

Continued from Page 11

But despite the youth and increasing wealth here, Vietnam's transformation from communism to a style of communism that embraces capitalism has been slower and more frustrating than many had predicted.

Investment in Vietnam has leveled off since booming in 1994 and 1995, after the United States normalized trade relations. Many American companies arrived in Vietnam with high hopes, only to find their plans frustrated by a stubborn bureaucracy.

Foreign companies doing business in Vietnam battle a disheartening array of official corruption and petty bribery, from laughably restrictive joint venture requirements to the traffic cop demanding $5 for imagined offenses.

Apparently recognizing the problem, the Vietnamese government has enacted new laws that call for the death penalty for the most extreme cases of corruption.

Contracts are almost impossible to enforce in Vietnam's crude legal system, and the government changes regulations every day. The Communist government in Hanoi has conducted campaigns to limit foreign language on signs; logging on to the Internet here requires a government license.

"It takes a great deal of patience to be here," said Michael Scown, an American lawyer who advises foreign investors.

Still, more than 150 American companies belong to the American Chamber of Commerce here, and upwards of 3,000 Americans are doing business in Vietnam, said the chamber.

Joshua Jake Levine, editor of the Hanoi-based Vietnam Business Journal, said most American businessmen are still bullish on Vietnam, especially since the arrival of Washington's first postwar ambassador, Pete Peterson.

American investors are saying, "We're here for fundamental reasons: our belief in Asia, our belief in Vietnam. We're not here because we think we can make money in one year and leave," Mr. Levine said.

SAL OPPENHEIM JR. & CIE LUXEMBURG S.A.

Änderungsmitteilung
Veröffentlichungen gemäß § 17 Abs. 3 Nr. 2 und 3 AuslinvestmG

Verwaltungs-/ Investmentgesellschaft	Pharma/wHealth Management Company S.A.
Fonds	*Pharma/wHealth*
Wertpapierkennnummer	973 039
Währung	USD
Rücknahmepreise per 31.12.1996	86,40
Ausschüttung per 20.03.1997	–
ausschüttungsgleiche Erträge	*J. 1,04*
davon Veräußerungsgewinne	–
als Einkommen zu versteuern	
im Privatvermögen	J. 1,04
im Betriebsvermögen	J. 1,04
Erträge, die der Kapitalsteuer unterliegen	
Kapitalertragsteuer 30% (depotfälle)	
Solidaritätszuschlag (Depotfälle)	
Kapitalertragsteuer 35% (Nichtdepotfälle)	
Solidaritätszuschlag (Nichtdepotfälle)	

Angaben je Anteil
Vorbehaltlich eventueller Änderungen durch das Bundesamt für Finanzen.

Comision Ejecutiva Hidroelectrico del Rio Lempa ("CEL")

Autonomous Public Service Institution of The Republic of El Salvador

Considering:

I. That CEL is the owner of the share capital of the following companies: Compañía de Alumbrado Eléctrico de San Salvador, S.A. de C.V. (CAESS, S.A. de C.V.), Compañía de Luz Eléctrica de Santa Ana, S.A. de C.V. (CLESA, S.A. de C.V.), Distribuidora de Electricidad del Sur, S.A. de C.V. (DELSUR, S.A. de C.V.), and Empresa Electrica del Oriente S.A. de C.V. (EEO S.A. de C.V.);

II. That in accordance with Legislative Decree No. 1004, dated the seventeenth of April of 1997, and published in the Diario Oficial No. 76, Volume 335, dated twenty-ninth of the same month and year, CEL is enabled to transfer the shares which represent the share capital of the above-mentioned companies;

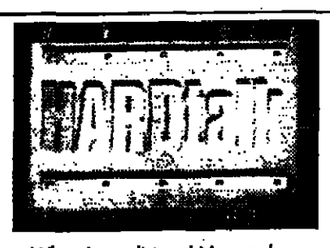
Therefore

In accordance with Article Three of Legislative Decree No 1004.

We inform:

That, following the third publication of this announcement, will begin the process for the sale of shares that are the property of CEL and which represent the share capital of Compañía de Alumbrado Electrico de San Salvador, S.A. de C.V. (CAESS, S.A. de C.V.), Compañía de Luz Eléctrica de Santa Ana, S.A. de C.V. (CLESA, S.A. de C.V.), Distribuidora de Electricidad del Sur, S.A. de C.V. (DELSUR, S.A. de C.V.), and Empresa Electrica del Oriente S.A. de C.V. (EEO S.A. de C.V.):

8th June, 1997
Third Publication



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The European Index Conference 1997

The Euro & The Exchanges: Implications for Multinationals and Financial Markets

The Grand Hotel, Amsterdam, June 20

This conference, timed to follow the Amsterdam Summit, which marks the end of the Dutch Presidency of the EU, will debate the Euro's potential impact on multinationals and financial markets.

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Peter Stanyer, *Performance & Risk Management*, Mercury Asset Management Group PLC
Peter Jay, *Journalist, writer & broadcaster*
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Richard Pagan, *Bonds & Equities Portfolio Analysis*, Salomon Brothers International Ltd.
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Piet Veldhuisen, *Head of Mutual Funds*, Generale Bank N.V.
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International Herald Tribune THE WORLD'S DAILY NEWSPAPER

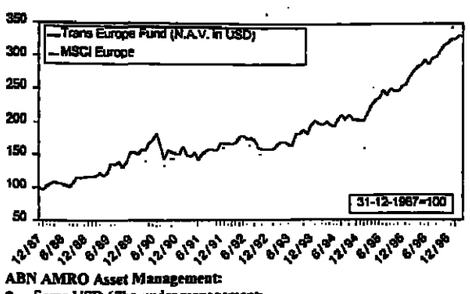
The Netherlander

THE FUND PERFORMANCE FOCUS

The I.H.T. would like to remind its readers that past performance is no guarantee of future results and that the value of an investment and the income from it can go down as well as up.

1

ABN·AMRO TRANS EUROPE FUND



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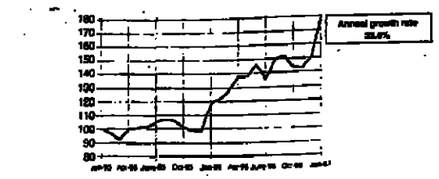
This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offer is made only by the Prospectus. Copies of the Prospectus may be obtained from Mr. Daniel Feuster Alpha Fund Management, Ltd. 48 Par la Ville Road, Suite 464 Hamilton, HM11 BERMUDA Phone: 441-295-9620 Fax: 441-295-9637

3

BBL Invest Emerging Europe
BBL Equity Fund



BBL Invest Emerging Europe manages assets exceeding DEM 34.5 million. In compliance with its investment objective, BBL Invest Emerging Europe invests mainly on eastern European stock markets.

Manager's Report: despite the strong gains already scored in 1996 and reflecting a favourable interest rate environment, above-average GDP growth rates, a significant deceleration of inflation, a reallocation of international portfolios towards emerging markets and, above all, stockmarket valuations more in line with international standards, equity markets in eastern Europe continue to perform handsomely this year. For the year to date, gains in US$ terms range from over 65% in Russia to around 20% in Poland and Hungary. And yet there is no reason to believe that a speculative bubble might be in the making, for the economies in the area show favourable fundamentals (continuing GDP growth, huge infrastructure needs, population growth, decelerating inflation). Currently, the country mix of the fund is as follows: Poland 32%, Czechia 30%, Hungary 23%. Russia accounts for 5% of assets, the Baltic States for around 3%, and these two areas will be awarded a higher weighting in the next few months.

BBL Invest Emerging Europe is a sub-fund of the umbrella fund BBL Invest incorporated in Belgium. Together with its namesake BBL (L) Invest, incorporated in Luxembourg, BBL Invest offers investors a whole range of area, country and industry funds.

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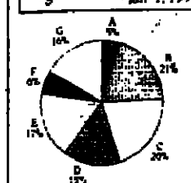
RICHCOURT VARIABLE OPPORTUNITIES Inc.

Series	Inception date	Performance since inception
"B"	Nov. 1, 1996	7.13%
"L"	Nov. 1, 1996	9.07%
"S"	Jan. 1, 1997	7.09%



Funds	Annual Return Since Inception	Annual Sharp Ratio Since Inception	Longest Drawdown
Fund A	17.67	2.49	0.58
Fund B	22.22	2.84	0.62
Fund C	25.12	3.99	0.00
Fund D	12.27	1.81	0.41
Fund E	83.27	8.72	0.00
Fund F	18.37	3.20	0.00
Fund G	18.69	2.85	0.00

RICHCOURT VARIABLE OPPORTUNITIES Inc. was incorporated in the British Virgin Islands on November 1st 1996. The Fund currently has assets over 56 million dollars. The Fund's investment objective is to achieve capital appreciation by investing a substantial portion of its assets among a diversified group of money managers selected and monitored by Richcourt Capital Management Inc. the Fund's Investment Manager. The money managers selected by the Investment Manager generally will employ non directional trading strategies, the results of which generally are not expected to correspond with the direction of stock and bond markets (i.e convertible arbitrage pairs trading, fixed income arbitrage, delta-neutral option trading and risk arbitrage).
The Fund is offering three separate Series of shares for purchase by eligible investors. Eligible investors may purchase shares of one or more Series. Each shareholder's exposure to the profits and losses of trading by the money managers will vary accordingly to the Series of shares which it holds. The Series are as follows:
- Series B ("benchmark"): The shares of Series B are intended to offer an investor the opportunity to diversify its investment portfolio through investment in the Investment Company's actively managed pool of money managers.
- Series L ("leverage"): The objective of Series L shares is to provide investors with a 33% leveraged version of Series B shares.
- Series S ("speculative"): The objective of Series S shares is to provide investors with a 90% leveraged version of Series B shares.

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The Fund uses investment techniques developed at Equitable House Investments by Dr M. Desmond Fitzgerald. The investments managed by Dr Fitzgerald have shown a compound annualised rate of return since inception in September 1993 of about 15%.

For further information please contact Bruce Thatcher:

Credit Lyonnais Rouse Ltd
Broadwalk House
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The key to the Fund's success has been a highly selective approach to stock picking. The manager has avoided poorly performing sectors (i.e. the banks), has hedged the yen during periods of currency weakness and has recently concentrated on companies which have been benefiting from yen weakness and deregulation.

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For full information on GAM Tokyo, please contact the GAM Client Service department on 0800 919 927 (UK callers only) or +44 1624 632 777 (International callers). Alternatively, find us on the Internet at: www.nkinfo.gam.co for full details of our funds for European and UK investors.

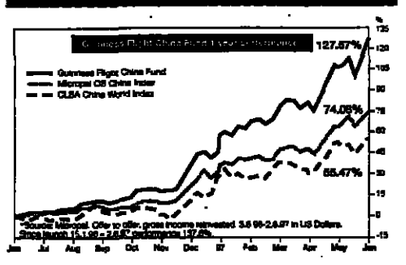
* Source: Micropal, (% change, bid-bid, DM, gross income reinvested) and GAM. All calculations in DM.

Shares in GAM Tokyo Funds are not available for sale in any jurisdiction in which such sale would be prohibited. Subscriptions will only be received and shares issued on the basis of the current prospectus. Past performance is not a guarantee of future performance. An investor may not get back the amount invested. UCITS funds are not available to residents of the Republic of Ireland. Issued by Global Asset Management Limited (regulated by IMRO) 12 St. James's Place, London SW1A 1NX.

7

GUINNESS FLIGHT

CHINA FUND



- The Guinness Flight China Fund has produced a performance of 127% over the last year, underlining the investment potential of China's developing equity markets and Guinness Flight's Asian investment expertise.

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Past performance is not necessarily a guide to the future. Fluctuations in the value of the underlying securities and the income from them and changes in interest and exchange rates mean that the value of this investment and the income from it can fall as well as rise and are not guaranteed. Investors' attention is drawn to the fact that political, market and settlement risks in China are significantly higher than in more developed markets, whilst accounting, regulatory and legal standards are significantly lower. The Guinness Flight China Fund is a sub fund of Guinness Flight Select Funds PLC. Minimum investment: £2,000/US $3,000. For your protection telephone calls may be recorded. Issued by Guinness Flight Hambro Asset Management Limited, regulated by IMRO and The Personal Investment Authority. 3491/97

8

INVESCO in ASIA
The Performance.
The Awards.
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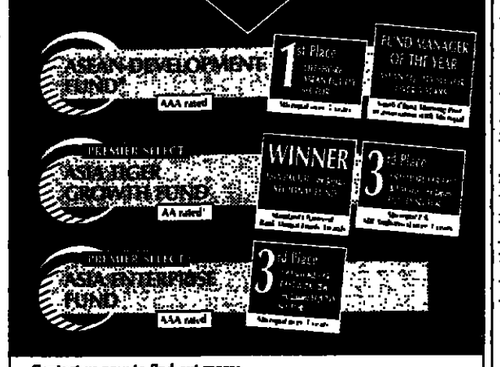

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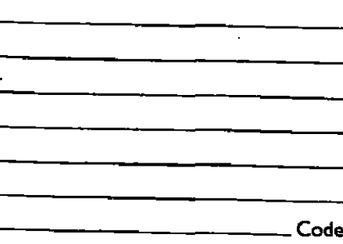

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THE MONEY REPORT

SATURDAY-SUNDAY, JUNE 7-8, 1997
PAGE 17

MONDAY: SPORTS

Do the Right Thing Or Make a Profit?

Constraints of 'Ethical' Investing

By Digby Larner

FOR MANY investors, being socially responsible and making a profit are conflicting objectives. At first glance, the quest for businesses that not only have not caused socio-environmental damage but are investing in systems to prevent it is a difficult one, with a limited number of options from which investors can choose.

Socially responsible investing can be divided broadly into do's and don't's. The do's are businesses investing money or effort to protect the environment. The don't's are those with a poor environmental or social track record or those that produce unsavory products. Corporations involved in tobacco or alcohol or linked with oppressive governments are big no-no's.

And not only do managers have to pick stocks carefully, they also have to monitor corporate behavior to ensure that the companies continue to meet investors' expectations.

Although there are plenty of mutual funds offering investors good returns and a clear conscience, the nagging doubts about how responsible an investment is may linger. According to *Eric Hathorn, an investment manager* with Henderson Crothswaite in London, investors are wise to be wary.

In the early 1990s he published a monthly newsletter offering stock recommendations for the ethically minded. The task eventually proved to be too much, however, and the newsletter folded, leaving Mr. Hathorn feeling bruised and cynical. The main problem, he said, was the enormous gulf between investor expectations and what businesses were prepared to do.

"We started off with the best intentions, printed it in green ink on recycled paper," Mr. Hathorn said. "Yet *when I looked at the slim range of* companies that were actually doing something positive environmentally it became hard to sustain an argument for investing. In the end I felt it was better to advise my clients to give some money to an environmental charity if they really wanted to do some good."

Along with many other investors, Mr. Hathorn believes that very little so-called green investing stands up to close inspection.

"In the early 1990s it became clear that putting the label 'responsible' on something had marketing potential," he said. "Suddenly a lot of funds were launched claiming to have all sorts of environmentally friendly credentials."

In some cases, standard mutual funds simply changed labels. Some continued to invest in non-green businesses but said they were ethically correct because such investment was limited. For many environmentally conscious investors this is not acceptable.

One of the biggest obstacles Mr. Hathorn encountered was the variety of ideas that people had about what constitutes socially responsible investing. He found that it could be almost impossible to get investors to agree on what was acceptable.

At a meeting of investment advisers in London several years ago, Mr. Hathorn was encouraged to drop a recommendation to invest in a telecommunications company because it supplied telephones to nuclear bunkers. A fund manager present at the meeting was reluctant to make the change but came up with a *major British bank as an alternative.*

"In investment terms it wasn't much of an alternative," he said. "Yet that was also thrown out on the grounds that the bank had refused to write off all of its debts held by Third World countries."

Clare Brook, a manager of so-called ethical funds with the British insurer NPI, believes that most socially responsible investors can find something to suit their tastes among the range of funds she manages.

"We have people coming to us with all sorts of demands," she said. "We get approached by vegans, for example, who want to be assured that the funds *they invest in are not involved in animal* experimentation or any other activity they find unacceptable."

EVEN IF a fund accommodates social concerns as much as possible, Ms. Brook acknowledged that making a reasonable return on investment involved a difficult balancing act between responsible investment and profit-making.

In the United States, the number of socially responsible mutual funds has grown during the last three years but remains small relative to the number of other funds. Laura Lallos, an analyst with the Chicago-based fund monitor Morningstar Inc., said that investors inevitably had to compromise their ethical standards in order to invest effectively.

"Any intelligent person could run through the list of investments in a socially responsible fund and find something they object to," she said. "People's views on social responsibility are so varied that the only way to be sure a portfolio conforms to your ideas is to construct it yourself."

She added that because this was not practical for most investors, the only option was to downgrade expectations.

Of the 7,000 or so mutual funds monitored by Morningstar, only 45 are marketed as socially responsible. Because the number is small, it is difficult to make meaningful comparisons between these funds and others; the smaller group is more susceptible than the larger one to the ups and downs of a few funds.

The result for the relative performance of socially responsible funds compared to others over the last three years is close, however. They returned 15.39 percent compared with a 16.83 percent average for U.S. diversified equity funds, according to Morningstar.

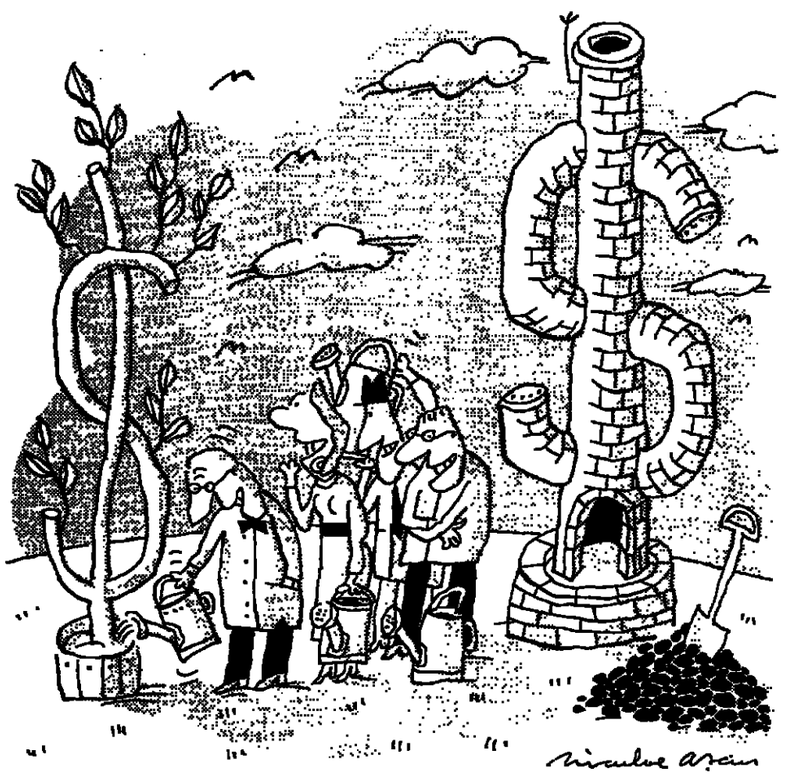
Ms. Lallos said that achieving returns at that level required managers to invest in a broad spread of equities and meant that their ethical concerns could not be too narrow. On occasion, this has brought managers into conflict with investors because of the equities they buy.

Investors concerned about the environment, for example, often prefer not to invest in McDonald's Corp. because they believe that hamburger production is indirectly responsible for destroying rain forests. Yet many socially responsible funds buy McDonald's shares, said Ms. Lallos.

"The reason is that although McDonald's scores poorly in some areas, it scores highly for its attitudes to women and minorities," she said.

Buying U.S. Treasury bills can be equally problematic. Most socially responsible funds avoid military stocks on ethical grounds. Because money raised by government bonds may be used for military purposes, some investors find these objectionable as well.

Once-acceptable stocks may fall from grace, however. Gap Inc., the clothing retailer, was popular among socially responsible funds that champion women's issues, Ms. Lallos said — until the company ran an ad campaign assailed by women's groups for encouraging women to become too thin.



Sapling 'Green' Funds Failing to Bear Fruit

By Ann Brocklehurst

ON THE evolutionary scale of investments, the so-called green fund is a relatively new financial vehicle that nonetheless appears to be headed for endangered species status.

Although interest in socially responsible investment is growing steadily, pure green funds have not proven to be as popular or adaptable as the hybrids of environmental and ethical funds.

One problem is that most investors who care enough to select a fund devoted to nonpolluting companies are unlikely to want shares in companies that tolerate child labor or manufacture high-tech weapons, no matter how good their corporate environmental records may be.

"It would be like saying you just want to look after trees but don't care if a 3-year-old child is doing it," said Richard Hunter of Holden Meehan, a London-based investment house that compiles a guide to ethical and environmental funds in Britain.

Almost all funds that identify themselves as strictly environmental, with no ethical component, are what have come to be known as "environmental services" or "environmental technology" funds, set up over the last decade to invest in companies expected to profit from the pollution-control business and the worldwide tightening of environmental regulations.

To complicate matters, these funds often invest in companies that are off-limits to the so-called socially responsible funds. Environmental-services funds, for example, frequently hold shares in large waste-management conglomerates such as WMX Technologies Inc. and Browning-Ferris Industries Inc., which are screened out by ethical funds due to their regulatory problems and involvement in the hazardous-waste industry.

Despite the rosy predictions made at their inception, most of the environmental-services funds have badly underperformed the market and many of them have closed down.

"They were a failed experiment," said Laura Lallos, a senior analyst with the Chicago-based Morningstar fund-rating service, which now tracks just four environmental-services funds in the United States, compared to twice that number three years ago.

In Europe, as well, a number of similar funds have come and gone, according to Max Deml, editor and publisher of the Vienna-based newsletter Oeko Invest. He said that three funds in Austria had given up due to lack of volume, and several German funds, managed out of Luxembourg, were forced to quit when they fell below the 5 million Deutsche mark ($2.9 million) minimum investment requirement.

Analysts attribute the decline of these funds declines to weak demand for environmental products and services, the failure to enforce environmental regulations and the waning of environmental issues in the public consciousness. That the funds overwhelmingly failed to perform in the recent bull market did not help matters.

One of the purest and oldest green funds on either continent is the New Alternatives fund, based in Long Island, New York. It bills itself as "a socially responsible mutual fund emphasizing alternate energy and the environment." It has had average annual returns over the past five years of just 7.3 percent, compared with 11.1 percent since its inception in 1984.

The president of New Alternatives, David Schoenwald, said the fund had lagged not only due to weakness in the environmental sector but also due to its lack of investment in any of the big software and computer makers whose shares have skyrocketed in the tech-

Continued on Page 19

Waiting to Reap an Organic Bounty

Growth of Young Natural-Foods Sector Holds Promise for Investors

By Barbara Wall

A STEADY increase in the consumption of organic and natural food products in the United States and Western Europe has attracted the attention of the investment community, but investors may have to wait a few years before they can profit from the growth opportunities in this sector.

As Anne-Maree O'Connor, an analyst with NPI Global Care Investment Funds, a division of the London-based insurer NPI, explained: "While the consumption of organic food has been rising, most of the food producers and retailers in this sector are still too small to seek a public listing."

In Britain, two exceptions include Cranswick PLC, a pork production business that emphasizes the ethical treatment of its animals, and Treatt PLC, a soft-drinks and food-flavorings business that uses natural ingredients in its products.

Since going public in July 1993, Cranswick's share price has risen to 266 pence ($4.46), from 170 pence. The lowest price ever reached was 172.5 pence, in September 1996. Treatt has had more of a rocky ride in terms of stock market performance. The share price fell to 99.75 pence in June 1993, from an opening price of 130 pence. It has since recovered to 153 pence, but analysts warn of further price volatility.

Ms. O'Connor said that Cranswick was an excellent investment.

"Few farms practice high-welfare animal husbandry in Britain," she said, "so Cranswick has filled an important niche in the market. The general public has also become more sensitive to animal-welfare issues and the dangers inherent in high-intensity meat production."

Although Treatt has been more volatile, she said that it had the potential to do well.

"Treatt has had its fair share of financial and managerial problems in recent times, hence the volatile share price, but the quality of the company's products is high and sales are thought likely to continue to grow," she said.

Matthew Harrogin, a spokesman for Albert E. Sharpe & Co., a stockbrokerage in Bristol, England, said he believed that it was only a matter of time before other natural- and organic-food companies sought a public listing. He said that the British organic baby-food producers Hip Nutrition and Baby Organics were worth keeping an eye on.

"Both companies have started to sell their products in conventional grocery stores and their market share is growing rapidly as a result," he said. "It would appear that while parents are prepared to take risks with their own health, an increasing number will not take risks with the health of their children."

There are more organic food companies listed in the United States than in all the other markets put together, but they may not all be suitable investments for private investors. Ms. O'Connor warned that many companies with a U.S. listing were illiquid and therefore risky investments. She also said it was difficult to get information on the companies, since few were followed by analysts.

'While the consumption of organic food has been rising, most of the food producers and retailers in this sector are still too small to seek a public listing,' said an analyst based in London.

WHOLE FOODS Market Inc., by far the largest organic food retailer in the United States, with annual revenue of about $1 billion, is popular with socially conscious fund managers. It is followed by 10 analysts and the share price has not exhibited the peaks and valleys experienced by smaller companies in the sector.

Whole Foods Market started 18 years ago as a single store in Austin, Texas. The company has expanded to 75 stores, 65 percent of them built or acquired in the last five years.

The Parnassus Fund, which was started 10 years ago by Jerome Dodson, a socially conscious fund manager, has a $10.5 million stake in Whole Foods Market, or 3.5 percent of the fund portfolio. The fund invested in the company four months ago; the share price has since risen to $30 from $19.

Steve Monticelli, an adviser to the fund, said that he would happily recommend the company to private investors. "The stock is liquid, the quality of the management is high and it is widely anticipated that profits will grow faster than sales in the years ahead," he said.

Another company that comes highly recommended is Vestro Natural Foods Inc., which produces organic snack foods. Vestro, soon to be renamed Westbrae, is listed on the Nasdaq exchange and Mr. Monticelli said that it was growing at about 15 percent a year.

Not all investors have the resources or the inclination to invest directly in the stock market, however. One alternative is to put your money in a bank that lends to organizations and businesses with social and environmental objectives.

The Triodos bank, which has offices in Belgium, Britain and the Netherlands, has lent to organic farms and retail outlets, including the Little Pencoed dairy farm in Wales and Welsh Organic Foods Ltd., which sells organic cheeses in supermarkets and other stores.

The Triodos Social Target Account allows depositors to target their savings to a specific project or sector. The interest payable is now 3.0 percent and the minimum balance is £100 ($168). The Triodos high-interest checking account pays an interest rate of 2.5 percent on balances above £1,000.

There is also the Triodos Biogrond Investment Fund, a fund of about $12 million listed on the Amsterdam Stock Exchange, which invests in land and property to support organic farming. The fund has paid a modest dividend of about 3 percent a year. It is especially attractive to Dutch investors because all profits from the investment are tax-free under the Dutch government's new green fiscal tax system.

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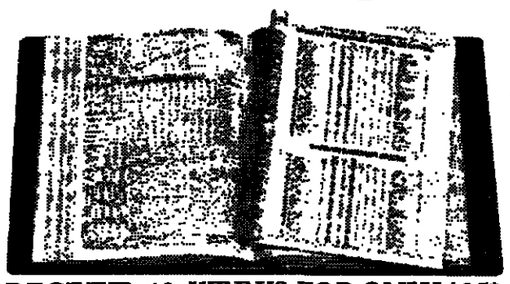

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Eco-Friendliness Is Not The Business of Business

Firms and Investors Are in It for the Money

By Conrad de Aenlle

WHEN A GROUP of shareholders in Royal Dutch/Shell Group, led by the Worldwide Fund for Nature, presented a resolution this year at the annual meeting demanding that the largest Western oil company become a better corporate citizen on environmental and human-rights issues, they didn't stand a chance. The proposal was defeated by an overwhelming majority.

It's not that Shell investors don't care about such matters. Rather, it's that they own the stock to make money, not to clean up the planet. But such resolutions could occur more frequently. They attract publicity for environmental causes, and the threat of the wrong kind of publicity may compel companies in polluting industries to do business in a more environmentally friendly way.

Shell knows all about that. Two years ago, Greenpeace seized the company's Brent Spar oil platform to try to prevent it from being anchored to the bottom of the North Sea when its useful life had ended. Shell had to endure images of its mammoth hunk of floating scrap metal leading news broadcasts around the world for days, accompanied by reports — inaccurate as they turned out to be — of the damage that would result should the platform be sunk.

In opposing the resolution last month, Shell's executives said that they were all for environmentally benign policies but that it was up to the board to decide such things without pressure from shareholders — a curious argument, considering that shareholders are their employers.

For all the embarrassing publicity surrounding the resolution vote and the Brent Spar episode before it, Shell and its shareholders have suffered minimal harm, which is why attempts to alter corporate policy will probably continue to fail, even if there are more of them.

"These companies are so big, you can't put pressure on them," said an oil analyst at a large investment house, who asked not to be identified. "It's not something that affects share prices and institutional investment. Brent Spar had absolutely no impact on share prices."

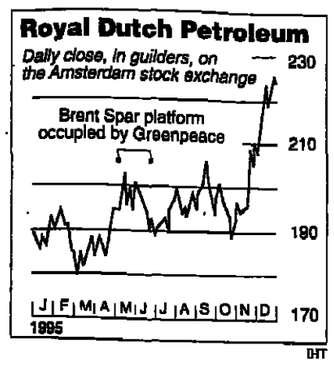
The impact was indeed minimal: Shares in Royal Dutch Petroleum Co., which owns 60 percent of the Royal Dutch/Shell Group, fell slightly during the incident, but quickly recovered.

Environmental policy "is not yet a priority for us to focus on," the analyst added. "It's very unfair to the environment, our approach, but our job is to evaluate investments. There are 100,000 other things to look at before that one."

The pension and mutual funds that dominate the shareholder registers of large industrial companies have just as many matters occupying their time, including the diverse opinions of their clients. They tend to have mixed and often muddled feelings about environmental issues.

"I do not see a substantial trend among fund managers in this regard," said Charles Ober, who runs the New Era fund at T. Rowe Price, an American retail fund company. "Most investors that I hear from do not bring up these issues. They are more concerned with returns."

But he added: "In today's world, being eco-friendly is good practice from a business standpoint. The economic rationale would be that companies would eventually have to come back and clean up or pay restituion for damaging the environment. Secondarily, the stocks can come under a cloud for long periods of time should substantial potential liability exist."



The attitude of benign neglect, except when serious money might be on the line, is widespread in the fund industry. For instance, Janus Group, which like Price is a large American retail manager, "doesn't use its clout as a shareholder to force companies to comply with things we might not necessarily agree with," said Chrissy Snyder, a company spokeswoman. "However, if asked, our portfolio managers will certainly give their opinion in the scope that what is usually environmentally friendly will impact the stock positively on a long-term basis. Therefore, it's usually in the best interest of a company to reduce deleterious effects to the environment."

One reason that investor interest in environmental activism is only lukewarm is that there is little money in it.

Environmental funds, a category that researchers at Lipper Analytical Services Inc. describe as investing "at least 65 percent of assets in companies contributing to a cleaner and healthier environment," have proven to be natural disasters themselves. In the three years through May, the average American one had a total return of 37.7 percent, according to Lipper, compared with a 65.4 percent return for the benchmark Standard & Poor's 500 index.

Look Long and Try Treasury Bonds

JAMES GLASSMAN *ON INVESTING*

LONG-TERM U.S. Treasury bonds look attractive these days. That doesn't mean you should dump your long-term stock holdings to buy them. But if your stocks have risen so much in recent years that they represent an uncomfortably large proportion of your assets, you should consider T-bonds, which are nothing more than loans from you to the federal government. Better yet, consider zero-coupon Treasuries, which allow you to lock in high interest rates.

Currently, 30-year Treasury bonds are paying about 7 percent interest. With inflation running below 3 percent, that's a real return of more than 4 percent, compared with an average real return for bonds for the past 50 years of just 2 percent, according to research by Ibbotson Associates.

In fact, you may actually be earning more than 5 percent if such economists as Michael Boskin of Stanford University are correct in their claims that the consumer price index overstates inflation by at least one percentage point. If you reinvest the dividends, a 5 percent real return will double the buying power of your original stake in less than 15 years. And at no risk.

Because of these high returns, "I'm very intent in making sure that everybody owns bonds," says Joseph West, a portfolio manager at Smith Barney in Washington.

But the reason I like bonds now is not simply that rates are high. (They could, after all, go higher if inflation threatens.) The big attraction of bonds is that — in a relative sense — they look better than stocks.

Here's why: If disaster strikes in the form of higher interest rates, stocks will almost certainly take a steep dive. Bonds will fall, too, but, most likely less than stocks. If good news arrives in the form of lower interest rates, then there's a good bet that bonds will benefit more than stocks.

The price of a bond falls as interest rates rise. A bond with a long maturity falls more when rates rise — simply because it will pay those lower rates for more years. The same process works in reverse if rates fall. If you own a 7 percent bond and rates fall to 6 percent, then the price of your bond goes up.

One reason I like bonds is that they can serve, at the same time, as both long-term holdings and short-term speculations. You can choose to keep the bond to maturity and get your money back or, if rates rise, cash it in and take the capital gain.

Now look at zeroes. A zero is a principal-only bond; you receive zero interest over the life of the bond, but when you buy it, you get it at a huge discount to its face value, or what the government will pay you when it matures.

There are two big advantages to zeroes. First, you can buy them without putting up a lot of cash. For example, a zero that matures 10 years from now was trading last week at 50 percent of face value. For a bond that costs $500, the U.S. Treasury guarantees to pay you $1,000 in the year 2007. A zero maturing in the year 2024 was trading at just 15, or $150 for a bond that will eventually pay $1,000.

The second advantage is that zeroes lock in current interest rates. A plain $1,000 Treasury bond with a 7 percent coupon pays out only $70 a year — which, even if you reinvest it in new bonds, might earn at a lower rate if the market falls.

There's one significant disadvantage to zeroes: "accreted" interest is taxable each year. You have to pay taxes on interest even though you don't receive it on a current basis. So it's wise to hold zeroes in a tax-deferred account or to buy them for children, who may be in lower tax brackets.

Washington Post Service

BRIEFCASE

Japan Fund in U.K. Beats the Indexes

Paul Kirkby, who runs Global Asset Management's new Japan Growth Fund, acknowledges that his task is not easy.

"I've had difficulty finding good stocks," he lamented in a video presentation at the fund's introduction last week. "Trying to put together a portfolio of 50 to 60 stocks in Japan is problematic."

Nevertheless, he has consistently beaten benchmark indexes, and the two other funds he manages have been best or second-best of 116 Japanese-oriented offshore funds over three and five years.

He has outperformed by avoiding banks and by concentrating on technology and nonbank financial companies. He said that there could also be opportunities ahead for retailing and property companies and that "some of the quality cyclical stocks have been thrown out the window" and could be had cheaply.

Japan Growth is Britain's first open-ended investment company, or oic — a fund structured to allow different classes to be marketed to suit the wishes of different types of investor. Oics are what Americans call mutual funds or what Continental Europeans know as Sicavs, but until now they have not been permitted in Britain, where the preferred fund is a unit trust, in which only one or two share classes can be sold and the sales charge is reflected in a spread between the price at which the fund may be bought or sold.

Japan Growth has a minimum investment of £10,000 ($16,300). There is a 5 percent sales charge and a 1.5 percent annual charge for one share class; the alternative is 4 percent up front and 1.75 percent annually. There are various discounts for investment made before June 13. *(IHT)*

FOR MORE INFORMATION call 44 1624 632 777 or try the web site at www.global-mlq.gam.com

Correction

An article in the May 24 issue of The Money Report misstated the name of the French shipyard Chantiers de l'Atlantique and mischaracterized its ownership. The shipyard is owned by the French-British company GEC-Alsthom.

For Environmental Plays, Think Cleanup

By Judith Rehak

WITH ALL the current emphasis on cleaning up the environment, it would seem logical that investing in companies that do everything from hauling hazardous waste to recycling glass bottles and newspaper would be a sure way to profit.

But while they may bring moral satisfaction to those who support companies that improve the quality of air, earth and water, their profitability has proved to be far less predictable.

In the United States, which has more environmental-services companies than any other nation, highly profitable giants such as WMX Technologies Inc. and Browning-Ferris Industries Inc. have seen their earnings languish in recent years. At the same time, other companies, both American and international, have enjoyed spectacular runups in their earnings and share prices.

What has changed the ground rules for finding profit in environmental companies?

"Some of the disappointments have come from investors hoping for more regulations, and there haven't been a lot more," said Jeremy Kramer, manager of the Alliance Global Environment Fund. In the United States, he added, the business peaked in 1991, and suffered from overcapacity and recession.

The key to profitable investing in environmental companies now, Mr. Kramer said, whose fund returned 31.6 percent last year, is to look for those that are business-driven rather than regulatory-driven. That means sticking with sectors that are still growing and with well-managed companies whose earnings are improving.

Some of the most successful environmental plays of the past two years have resulted from the merger-and-acquisition fever sweeping smaller waste haulers in the United States. These companies collect solid waste generated by businesses and light industry and dispose of it in landfills.

Mr. Kramer's favorite is U.S.A. Waste Services Inc., a Texas-based company that is growing at more than 10 percent a year and is also in the midst of an aggressive acquisition program. He expects U.S.A. Waste's earnings to grow 40 percent this year and another 30 percent in 1998.

A sector currently favored by analysts is the water-treatment industry, which is thriving on growing global demand for its products and services. Rod Lache, who follows environmental stocks for Deutsche Morgan Grenfell in New York, likes Memtec Ltd., an Australian company in the water filtration business that has a growing list of contracts from Japan to the United States.

Memtec's advantage, in his view, is that it has developed a filter that does not have to be changed as often, an important selling point for a process that has historically been expensive. Memtec shares, which trade in Australia and on the Nasdaq in the United States, have been giving investors a roller-coaster ride, however. After doubling to $32 at the end of last year, they are down to about $19, after what Mr. Lache termed a temporary slowing in its growth rate two quarters ago.

And what about the most familiar environmental cleanup known to the general public — recycling glass bottles and newspapers? Mr. Kramer's advice is to stick with economic-based recyclers that are paid for services such as processing scrap materials. His top pick is Philip Services Corp., a Canadian company that works with regional telephone companies to retrieve materials from used copper cable.

'Green' Funds Fail to Bear Fruitful Returns

Continued from Page 17

nology boom of the last few years.

The fund's $33.6 million in assets are heavily invested in natural gas through companies such as Enron Corp. and National Fuel Gas Co. Other major holdings include York International Corp., a manufacturer of heating and air-conditioning technology that does not use ozone-depleting chemicals, and Baldor Electric Co., a maker of energy-saving electric motors.

A self-described former hippie who runs the fund with his father, Mr. Schoenwald is committed to remaining an environmental fund despite the ups and downs of managing a fund with a comparatively narrow focus.

"We are what we are and it's proven so far to be a viable enterprise," he said. "We're a niche within a niche."

Outside of North America and Europe, investors with environmental concerns will have a tough time finding green funds. The easiest way to assuage concerns about the environment while trying to earn profits globally is to invest in a hybrid ethical and environmental fund, such as Calvert Group's World Values Global Equity Fund.

The company, based in Bethesda, Maryland, says the fund was the first in the United States to advocate "positive social change and corporate responsibility on a global scale."

In Britain, the Jupiter Merlin Ecology Fund is another international investor with a list of environmental and ethical criteria that must be met before it buys a share.

High-net-worth individuals and institutional investors may also wish to consider buying a limited partnership in the Washington-based Global Environment Emerging Markets Fund II, a $120 million follow-on to the $70 million GEF I fund, which was started in January 1994.

Both funds are described as focusing on "investments responding to increased demand for cleaner forms of energy and water-treatment services in rapidly expanding emerging economies."

They do this by taking significant minority equity positions in companies that develop, own and operate projects combining stable cash flow and long-term revenue-growth potential.

The first fund's investments include a $3 million stake in a Slovenian municipal services company, set up to develop and own gas distribution and water and waste-water treatment services, as well as a $9 million commitment to Tata Electric Co. of India for the financing of pollution control and energy efficiency infrastructure projects. Among the general partners of the second fund are Bechtel Enterprises Inc. of the United States and United Utilities PLC of Britain.

"We're not a passive investor identifying the best screened companies," said Jeffrey Leonard, president of the Global Environment Fund. "We've been involved in projects in Latin America where we've walked every inch."

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Herald Tribune INTERNATIONAL
SPORTS

WORLD ROUNDUP

Ron Vesely/AP

Graham Thorpe of England acknowledging cheers after reaching his century on Friday.

England in Control

CRICKET Nasser Hussain hit a career-best 207 in Birmingham on Friday to give England a stranglehold in the first cricket test against Australia.

Hussain propped England to 418 for 6 by tea on the second day, giving it a 300-run first-innings lead and virtually sealing the fate of Australia in the opening match of the six-test series. England, starting the day on 200 for three, was 449 for six when rain stopped play one hour into the final session. Mark Ealham was unbeaten on 32 and Robert Croft on 18 not out.

Hussain and Graham Thorpe shared a record fourth-wicket 228-run partnership, compounding Australia's misery after the visitors had been bowled out for 118 in their first innings. Thorpe achieved his fifth century in 38 tests. *(AP)*

Colombian Wins Stage

CYCLING Jose Jaime Gonzales Pico confirmed his status as the top climber in the Giro d'Italia Friday with a convincing victory in the 20th stage.

While the Colombian retained the green jersey assigned to the race's so-called King of the Mountains, Ivan Gotti of Italy remained on course for the overall victory.

Gotti, trying to become the first Italian in six years to triumph in the Giro, stayed with his chief rival, the defending champion Pavel Tonkov, throughout the 176-kilometer (109-mile) stage in the Dolomites from Brunico to Passo del Tonale.

The Giro ends Sunday with a mostly ceremonial ride into Milan, Italy's financial capital. *(AP)*

Tomba Is Investigated

SKIING The police in Italy were searching the house of Alberto Tomba near Bologna on Friday as part of an inquiry into allegations that the skiing star may have avoided paying taxes on sponsorship earnings, a magistrate said.

The magistrate, Enrico Cieri, did not specify the exact nature of the accusations against Tomba but confirmed that public prosecutors in Bologna were investigating possible irregularities in the declaration of income from sponsorship and advertising deals. *(Reuters)*

Injury Sidelines Johnson

ATHLETICS Michael Johnson, the world and Olympic champion in the 200 and 400 meters, said he would not run in this week's U.S. Outdoor Track and Field Championships because of a left quadriceps injury. *(AP)*

An Unlikely Foe for Bruguera

Kuerten, Unseeded, Will Face Spaniard in Final

By Ian Thomsen
International Herald Tribune

PARIS — Next up for the young man known as Guga will be the final of the French Open against its two-time champion, Sergi Bruguera of Spain.

The 16th-seeded Bruguera will wear all white. Guga, the nickname of 20-year-old Gustavo Kuerten of Brazil, will arrive at Paris's most elegant tennis stadium Sunday afternoon in a garish shirt of blue and yellow vertical stripes, blue swimming trunks, yellow socks and blue shoes.

Bruguera will not wear a hat. Neither will Guga. Guga prefers a bandanna.

Bruguera will play from the baseline, the accepted mode of clay-court players, the method responsible for Bruguera having won the French Open in 1993 and 1994 among his 14 tour titles. That is exactly 14 more than Guga has won. He has never been to a real tournament final before. Until Friday, when he beat the Belgian qualifier Filip Dewulf in four sets, Guga had never been to a real semifinal before.

While Bruguera is standing patiently in the back of the court, playing the game as conservatively as everyone says it must be played, Guga will outrageously be seeking to become the third unseeded champion since the French championships began in 1925.

Only six other unseeded players have ever advanced as far as he has already. At a skinny 6 feet, 3 inches (1.89 meters), he will attempt searing winners from every position imaginable, grunting his odd grunt and flouting most every convention, especially the one about experience.

Kuerten, ranked 66th in the world, had no experience in the conventional way when he came to Roland Garros. In the week before coming he had felt it necessary to return to Brazil to play in — and win — a minor-league challenger event, so lacking was his confidence. Then he upset the former Roland Garros champions, fifth-seeded Thomas Muster of Austria, and the defending champion, No. 3 Yevgeni Kafelnikov of Russia, sprinting away from each of them in the crucial late sets of each match.

If Kuerten wins a prize no one ever imagined him winning, he will have done so by beating the 1993, 1994, 1995 and 1996 French Open champions. It

FRENCH OPEN TENNIS

will rank up there with the 1982 French Open victory of Mats Wilander of Sweden, who was unseeded at the time. In Brazil, they might compare him with the 17-year-old Boris Becker of Wimbledon in 1985. Kuerten is the first Brazilian to reach the final of a Grand Slam event.

"I just feel my best moment, my happiness is so great," Kuerten said, in his slightly ungrammatical English. "I don't have no words to tell you, but I'm feeling so well and I'm really enjoying to play the final. I will give my best."

Bruguera, who hasn't won a tournament in three years, hindered as he was by a major ankle injury at the end of 1995, won his late-afternoon semifinal against No. 25 Patrick Rafter of Australia, 6-7 (6-8), 6-1, 7-5, 7-6 (7-1).

Rafter's defeat provided center court with perhaps its finest match of the tournament. Rafter had lost five of his six previous meetings with Bruguera; in four matches on clay he hadn't won a set. Yet he won the first set tiebreaker frantically and did Bruguera a favor by attacking with volleys whenever possible and inventing strategies on the fly. Bruguera, with incredible passing shots and other winners from every spot on the court, recovered from 5-2 down to win the third set.

His most unlikely challenger, Kuerten, began playing serious tennis just six years ago. Although he is a Brazilian citizen, Kuerten also carries a German passport, and his German grandmother arrived with his mother in Paris on Thursday.

His father died while umpiring a youth match before Kuerten was 10. The rest of his family plus his coach, some junior players and their coaches, and a friend of the late Brazilian driver Ayrton Senna, were all in a section of the audience just behind the court chanting, "Guga! Guga!" The refrain will no doubt spread among the French crowd during Sunday's final.

For this day, however, many in the audience, having taken their seats in mid-match after a late lunch, were naturally supporting the first Belgian semifinalist at a Grand Slam semifinal. Dewulf was also the first qualifier in 20 years to go this far in such a major tournament. Guga, however, he was not.

"I was not having fun anymore on the court," said the No. 122 Dewulf after his 6-1, 3-6, 6-1, 7-6 (7-4) loss. "I felt it was a bit too much. The desire was not there, really. I was able to come back into the match because of him, because he didn't play so well during the second set. I had opportunities during the fourth set also. But the desire to fight to the end was not really there today."

Kuerten, his opposite, was building up a lead in the fourth set, twitching with each step, skipping in between points, looking up for the warmth of his fellow Brazilians shouting his name and, once before serving, glaring at two tennis balls in his hand as if they were a pair of dice and shouting at them in Portuguese.

Despite all of this, the tall, 25-year-old Dewulf succeeded in breaking Kuerten just as he was trying to serve out the match. In the tiebreaker, Dewulf lost his last two service points on suddenly undependable forehands.

"I'm very, very happy, but I'm not satisfied yet," Kuerten said. "I really want it more now. I really have the chance to win the tournament. Why not? I'm just giving it my all."

Gustavo Kuerten celebrating his victory over Filip Dewulf on Friday.

Red Wings Home In on Stanley Cup

By Joe Lapointe
New York Times Service

DETROIT — The Stanley Cup championship has not been clinched by the Red Wings, but residents of Detroit have been celebrating for several days as if it is a sure thing.

They turned up the energy a little more Thursday night after a 6-1 Red Wings' victory over the Philadelphia

STANLEY CUP FINALS

Flyers that gave the home team a 3-0 lead in the best-of-seven-game championship round.

Sergei Fedorov and Martin Lapointe each scored twice for the Red Wings, who trailed in a game for the first time in the series but roared back with six consecutive goals. Fedorov also had two assists.

Three of Detroit's goals came on the power play. Philadelphia's lead lasted only two minutes, early in the first period, when John LeClair scored on the power play.

One more Detroit victory will give the Motor City its first cup since 1955, when Gordie Howe was in his first decade as a Red Wings star. Game 4 will be played here Saturday night.

After LeClair scored for Philadelphia on a rebound at 7 minutes 3 seconds of the first period with a backhanded shot past Mike Vernon, Detroit tied the score at 9:03 on a power-play goal by Steve Yzerman.

He fired a slap shot past Ron Hextall after a pass from the corner by Slava Kozlov.

Fedorov gave Detroit a 2-1 lead at 11:05, at equal strength, when he stole the puck from a stumbling Karl Dykhuis and fired it past Hextall.

Hextall played Game 1, a 4-2 loss for Philadelphia, and was benched in favor of Garth Snow for Game 2, also a 4-2 Philadelphia defeat. The Flyers had a chance to score late in the first period when the referee Kerry Fraser called two Detroit penalties that overlapped and gave Philadelphia a two-man advantage for 1:20. But the Flyers had difficulty coordinating their attack.

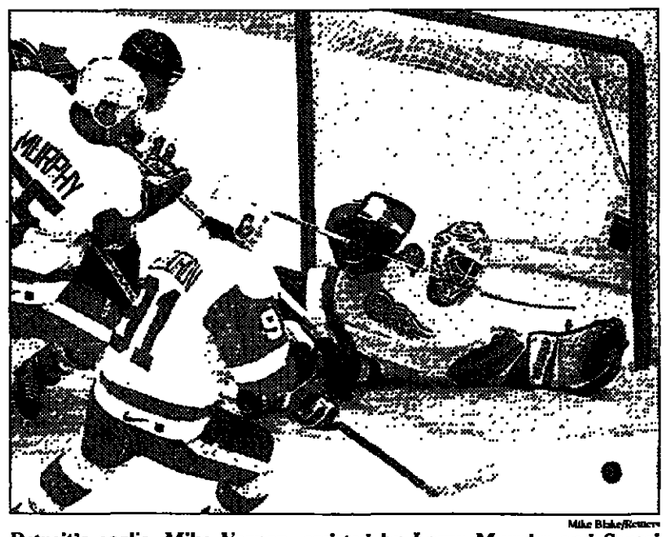
Another Detroit penalty yielded another unsuccessful Philadelphia power play, and eventually led to another Detroit goal at 19:00 when Lapointe came out of the box.

Skating fresh against Philadelphia's weary power-play attackers, Lapointe sailed in on Hextall and hit the goal post. The Wings continued the pressure, and Lapointe ended the play by snapping the puck past Hextall from the slot after a pass from behind the net by Doug Brown. Fedorov got the other assist.

Fedorov scored his second of the game at 3:12 of the second period, on the power play.

Brendan Shanahan got the next goal, at 19:17, when he fired the puck from behind the net and caromed it in off Hextall to make the score 5-1.

The Flyers played without Paul Coffey, their attacking defenseman, who suffered what the Flyers called a slight concussion in Game 2 when he was bumped by Darren McCarty late in the third period.



Mike Blake/Reuters

Detroit's goalie, Mike Vernon, assisted by Larry Murphy and Sergei Federov, reaching out to stop a shot by the Philadelphia Flyers in Game 3.

Jazz to Try, Try Again

Down 2-0, Uphill Climb Starts in Utah

By Mike Wise
New York Times Service

SALT LAKE CITY — Bryon Russell stuffed his belongings into a garment bag and was about to trudge out of the home arena of the Chicago Bulls.

Unable to produce a single positive element about his team's performance in Game 2 of the NBA finals Wednesday night, he was asked if the high altitude of Salt Lake City might help the

NBA FINALS

Utah Jazz against the NBA champions.

"I don't know," the Jazz's small forward said, shrugging his shoulders. "Depends on what kind of shape they're in. You know Michael."

The Jazz players know Michael Jordan and the Bulls too well after losing the first two games of the best-of-seven series in Chicago. Utah hoped to extend its 21-game winning streak at the Delta Center (elevation 4,600 feet, or 1,400 meters) on Friday night in Game 3.

Game 4 is scheduled for Sunday and Game 5, if necessary, for Wednesday in Salt Lake City. As for the altitude concerns, the Bulls have booked themselves into a hideaway 6,000 feet up in the mountains. There goes that advantage.

Not only was Utah run off the floor in Game 2, falling behind by 22 points in the second half before losing 97-85, but Karl Malone, John Stockton and their teammates were also embarrassed.

Jerry Sloan, who made a career of scuffing his knees and getting in the faces of opponents he guarded when he played for the Bulls two decades ago, is very concerned. The team he has coached in the finals resembles neither himself nor the team he coached a week ago.

"I've always been amazed how easy it is to intimidate people in this business," Sloan said. "And I thought we were intimidated right from the beginning of the game."

Only two teams have recovered from 0-2 deficits to win the National Basketball Association title, but neither the 1969 Celtics nor the 1977 Trail Blazers had to deal with Jordan. He was spectacular in Game 2, scoring 38 points, grabbing 13 rebounds and finishing with 9 assists. Scottie Pippen, playing on a sore left foot, and the other regulars did not allow the Jazz back into the game after the Bulls built a 47-31 halftime lead.

Another bad omen for the Jazz, who must win four of the next five games to take the title: The Bulls have not lost four of five games since a road trip in February 1995. The last time they lost four of five with Jordan on the team was during the 1992-93 season.

"Why should they write us off?" Jazz forward Antoine Carr said. "That's my question to you. I don't think there is a reason to write us off."

The Jazz could use a litany of excuses, beginning with the open wound on the right hand that Malone suffered in the last playoff round. It has to be bandaged and is said to be affecting his shooting.

But Malone is not admitting this.

"I'm just stinking it up right now as a whole," said Malone, who made 6 of 20 shots and missed a plethora of layups. "Like I said, I kind of wish people would stop talking about it. Obviously, I'm playing and that's the most important thing."

Carr implied that Jordan and Pippen had received favorable treatment from referees, that much of the feistiness around the basket is working against Utah. "I'll just say they're getting away with some stuff that has nothing to do with basketball," he said.

But while Jordan has been treating every loose ball like a gold nugget, some Jazz players are acting as if they have the best seats in the house.

"I expected them to come out and play harder than they did the other night," Sloan said of the Bulls after Game 2. "But I expected our guys to compete. We played the first half, seven or eight fouls. We were 3 for 12 inside on layups. And to me, that's not really attacking anybody."

The way the series is proceeding, coming back to Chicago for Games 6 and 7 may be wishful thinking on Utah's part.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	38	15	.717	—
New York	31	27	.534	9'
Toronto	26	29	.473	13
Detroit	26	30	.464	13½
Boston	23	33	.411	16½

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	28	26	.519	—
Milwaukee	28	27	.510	½
Chicago	26	30	.464	3
Kansas City	25	30	.455	3½
Minnesota	25	33	.431	5

WEST DIVISION

	W	L	Pct.	GB
Texas	31	25	.554	—
Anaheim	30	26	.536	1
Seattle	31	27	.534	1
Oakland	25	35	.417	8

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	39	19	.672	—
Florida	33	23	.589	5'
New York	33	25	.569	6
Montreal	29	28	.509	9'
Philadelphia	20	37	.351	18'

CENTRAL DIVISION

	W	L	Pct.	GB
Pittsburgh	29	29	.500	—
Houston	29	30	.491	½
St Louis	26	31	.456	2'
Chicago	24	34	.414	5
Cincinnati	22	36	.379	7

WEST DIVISION

	W	L	Pct.	GB
San Francisco	33	24	.579	—
Colorado	32	24	.552	1'
Los Angeles	28	29	.491	5
San Diego	26	31	.456	7

THURSDAY'S LINESCORES

AMERICAN LEAGUE

Boston	000	200	000	—2	6	0
Milwaukee	000	100	000	—1	7	0

Wakefield, Lacy (9) and Hasselman; McDonald and Matheny W—Wakefield, 7-4. L—McDonald, 6-4. Sv—Lacy (1). HR—Boston, M. Vaughn (16).

Seattle	300	410	150	—14	17	1
Detroit	000	000	330	—6	7	0

Fassero, Charlton (8); Mi. Maddux (9) and DaWilson, Manzano (8); Lira, Bautista (4), JCummings (7), Brocail (9) and Casanova. W—Fassero 5-2. L—Lira 4-3. HRs—Seattle, ARodriguez (9), Buhner (15), De.Wilson (5). RDavis (7).

Chicago	000	010	210	00—4	13	1
Cleveland	002	010	010	01—5	11	1

(11 innings)

Navarro, McElroy (8), Karchner (8), R. Hernandez (10), C. Castillo (11) and Fabregas, Nagy, Assenmacher (8), M. Jackson (9), Shuey (11) and SAlomar. W—Shuey 2-1. L—C. Castillo 0-1. HRs—Chicago, FThomas (15), Fabregas (2).

Texas	100	001	010	03—6	8	1
Kansas City	000	100	020	00—3	8	0

(11 innings) - Wit. Vosberg (8), X. Hernandez (8), Wetteland (8) and I.Rodriguez. Apper, Pichardo (10), R Veres (11) and Macfarlane. W—Wetteland 3-0. L—Pichardo 1-2. HRs—Texas, D Cedeno (1), Buford (5). Kansas City, King (7).

Oakland	001	000	020	—4	8	0
Toronto	100	002	000	—3	8	0

Prieto, Groom (7), C. Reyes (7), A. Small (8), Mohler (9), Taylor (9) and Ga.Williams. Henigen, Quantrill (9) and Santiago. W—C. Reyes 1-0. L—Henigen 5-3. Sv—Taylor (10). HRs—Oakland, Canseco (12). Toronto, C. Delgado (10).

Anaheim	000	000	125	—7	10	0
Minnesota	000	000	000	—0	6	0

Dickson, Percival (9) and Leyritz; Trewksbury, Swindell (8), Trombley (8) and Steinbach. W—Dickson 7-2. L—Trewksbury 2-6. Sv—Percival (4).

NATIONAL LEAGUE

Houston	101	001	020	—5	7	0
Cincinnati	102	102	00x	—6	11	0

Reynolds, R. Garcia (6), Magnante (9) and Ausmus. Schourek, Belinda (6), Remlinger (8), Shaw (8) and Taubensee, J. Oliver (6). W—Schourek, 5-4. L—Reynolds, 4-6. Sv—Shaw (9). HRs—Houston, Biggio (10). Cincinnati, L. Harris (3).

Florida	000	000	000	—0	5	1
New York	010	300	20x	—6	12	1

K.J.Brown, F. Heredia (8) and C. Johnson; Reynoso and Hundley. W—Reynoso, 5-0. L—K. J Brown, 5-4. HR—N. York, Gilkey (6).

St. Louis	000	020	001	—3	9	2
Pittsburgh	102	020	01x	—9	11	0

Stottlemyre, Perkowski (5), Bottalico (6), Eichhorn (8) and Difelice; Loaiza, Ritcon (9) and Osik. W—Loaiza, 5-2. L—Stottlemyre, 4-4. HRs—St. Louis, Lankford (12). Pittsburgh, Randa (4).

Atlanta	020	100	402	—9	13	0
Montreal	000	000	000	—0	6	1

Neagle and J. Lopez; Hermanson, Torres (4), Daal (6), D. Veres (7), Urbina (9) and Widger. W—Neagle, 8-1. L—Hermanson, 2-4. HRs—Atlanta, J. Lopez (10), Lockhart (2). A. Jones (31).

San Diego	021	020	101	00—7	10	1
Colorado	100	310	110	02—9	16	0

(11 innings)

Hitchcock, Bergman (6), TWorrell (8), Burrows (10) and C.Hernandez; Ritz, Holmes (7), McCurry (8), M. Munoz (9), Leskanic (9), S. Reed (11) and Manwaring. W—S. Reed, 2-1. L—Burrows, 0-1. HRs—Colorado, Castilla (15), L. Walker 2 (17). S. Diego, S.Finley (7).

Chicago	110	103	200	0—8	14	2
Philadelphia	004	000	013	1—9	10	0

(10 innings)

Foster, Bottenfield (6), Patterson (7), Wendell (7), Rojas (9), T.Adams (10) and Houston. M.Leiter, Plantenberg (7), Spradlin (7), Blazier (8), Bottalico (9), Ryan (10) and Lieberthal. W—Ryan 1-0. L—T. Adams 0-2. HRs—Chicago, B. Brown (3), Sosa (14). Hansen (1). Philadelphia, Lieberthal (8).

San Francisco	030	020	000	—5	7	1
Los Angeles	000	021	010	—4	6	3

VnLandingham, Tavarez (7), DHenry (8), Beck (9) and RWilkins. Valdes, Candiotti (6), Radinsky (8), Osuna (9) and Piazza. W—VnLandingham 3-3. L—Valdes 3-7. Sv—Beck (18). HR—L. Angeles, Gagne (2).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	30	19	—	.612	—
Hiroshima	25	22	—	.532	4.0
Hanshin	25	24	—	.510	5.0
Chunichi	23	25	—	.479	6.5
Yokohama	21	23	—	.477	6.5
Yomiuri	19	30	—	.388	11.0

FRIDAY'S RESULTS

Yomiuri 7, Chunichi 3

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Seibu	29	19	—	.604	—
Orix	24	18	—	.571	2.0
Nippon Ham	25	25	—	.500	5.0
Daiei	25	26	—	.490	5.5
Lotte	20	25	1	.444	7.5
Kintetsu	19	29	1	.396	10.0

FRIDAY'S RESULTS

Orix 4, Daiei 3 (10 innings)
Nippon Ham 7, Kintetsu 4
Seibu vs Lotte rained out.

ICE HOCKEY

STANLEY CUP FINALS

(BEST-OF-SEVEN)

THURSDAY'S RESULT

Philadelphia	1	0	0—1
Detroit	3	2	1—6

First Period: P-LeClair 9 (Desjardins, BrindAmour) (pp). 2, D-Yzerman 7 (Kozlov) (pp). 3, D-Fedorov 7, 4, D-Lapointe 3 (Brown, Fedorov) Penalties—McCarty, Det (interference); Desjardins, Phi (holding); Felsey, Det (slashing); Sanostrom, Det (holding), Lapointe, Det (tripping) Second Period: D-Fedorov 8 (Kozlov, Shanahan) (pp). 6, D-Shanahan 9 (McCarty) Penalties—Klatt, Phi (tripping); Petit, Phi (holding stick) Third Period: D-Lapointe 4 (Fedorov, Vernon) (pp). Penalties—Lindros, Phi (cross-checking); Lindros, Phi (elbowing); McCarty, Det (interference), Felsey, Det (slashing); Brown, Det (slashing) Shots on goal: P- 8-7-7—22. D- 10-12-7—29. Power-play Opportunities—P- 1 of 7; D- 3 of 5. Goalies: P-Hextall 4-2 (29 shots-23 saves) D-, Vernon 15-4 (22-21).

(Detroit leads series 3-0)

Next match is played on Saturday in Detroit.

CRICKET

AUSTRALIA TOUR

1ST TEST MATCH, 2ND-DAY

ENGLAND VS. AUSTRALIA

FRIDAY, IN LONDON, ENGLAND

England: 449-6
Australia: 118
Rain forced an early close.

CYCLING

GIRO D'ITALIA

Leading placings in 176 km 20th stage from Brunico to Passo Del Tonale:

1. Jose Gonzalez, Col., Kelme 4 h. 45 m. and 3 s.; 2. Massimo Podenzana, It., Mercatone Uno at 1:42; 3. Felice Puttini, Switz., Ceramiche Refin 2:10; 4. Gabriele Missaglia, It., Mapei 3:02; 5. Fausto Dotti, It., Ros Mary s.t.; 6. Germano Pierdomenico, It., Cantina Tollo 4:02; 7. Bruno Boscardin, Switz., Festina 4:50; 8. Yevgeny Berzin, Rus., Batik 5:34; 9. Alessandro Baronti, It., Asics 7:41; 10. Andrea Noe', It., Asics 10:10.

OVERALL: 1. Ivan Gotti, It., Saeco 91 h. 15 m. and 48 s.; 2. Pavel Tonkov, Rus., Mapei at 1:32; 3. Giuseppe Guerini, It., Potti 6:00; 4. Gontchar, Ukraine, AKI 10:27; 5. Nicola Miceli, It., AKI 10:48; 6. Giuseppe Di Grande, It., Mapei 11:04; 7. Wladimir Belli, It., Brescialat 12:44; 8. Marcos Serrano, Spain, Kelme 14:00; 9. Stefano Garzelli, It., Mercatone Uno 14:42; 10. Jose, Rubiera, Sp. Kelme 17:16.

SOCCER

US WOMEN CUP

Italy 2, Canada 1
United States 9, Australia 1
STANDINGS: United States 6 points, Italy & Canada 0, Australia 0

WORLD CUP QUALIFIERS

ASIAN ZONE, GROUP 2

FRIDAY, IN DAMASCUS, SYRIA

Kirghizstan 3, Maldives 0
Iran 1, Syria 0
STANDINGS: Iran 9 points; Syria 3; Kyrgyzstan 3; Maldives 0.

TENNIS

FRENCH OPEN

SEMIFINAL

MEN'S SINGLES

Kuerten, Brazil, def. Dewulf, Belgium, 6-1, 3-6, 6-1, 7-6 (7-4).
Bruguera (16), Spain, def. Rafter, Australia, 6-7 (6-8), 6-1, 7-5, 7-6 (7-1).

WOMEN'S DOUBLES

Fernandez, U.S. and Zvereva (1), Bel. def. Hingis, Switz. and Sanchez Vicario (3), Sp. 6-3, 7-6 (7-3), 10-8.
Fernandez and Raymond (5), U.S. def. Fusai and Tauziat (8), France, 3-6, 6-4, 6-1.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

TORONTO—Acquired OF Ryan Thompson from Cleveland Indians for INF Jeff Manto.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

GOLDEN STATE—Named P.J. Carlesimo coach and agreed to terms with him on 5-year contract. Fired Dave Twardzik, general manager. Named Al Attles interim general manager.

SACRAMENTO—Promoted Mike Bratz to lead assistant coach. Named Ralph Lewis assistant coach.

HOCKEY

NATIONAL HOCKEY LEAGUE

CHICAGO—Extended the contract of Craig Hartsburg, coach, for two years, through 1999-2000 season.

THE WEEK AHEAD

SATURDAY, JUNE 7

ATHLETICS, Bloomington, Indiana — men, women, NCAA, U.S. college championships; Stockholm, Sweden — Stockholm Marathon.

AUTO RACING, Athens, Greece — Acropolis Rally, to June 10.

CRICKET, Birmingham, England — first test, England vs. Australia, to June 9.

CYCLING, Rome — UCI, Giro d'Italia, Tour of Italy, to June 8.

FIELD HOCKEY, Berlin — women, Sixth Champions Trophy, to June 8.

GOLF, men, Sisley Hall, England — Sisley Hall Northumberland Challenge, to June 8; Potomac, Maryland — Kemper Open, to June 8; Shibaria, Japan — JCB Classic Sendai, to June 8; Nashville, Tennessee — BellSouth Senior Classic, to June 8; Narita, Japan — TPC Starts Senior, to June 8. Women, East Lansing, Michigan — Oldsmobile Classic, to June 8; Kobe, Japan — Mitsubishi Electrical Ladies, to June 8.

HORSE RACING, Epsom, England — English Derby; New York — Belmont Stakes.

RUGBY UNION, Buenos Aires, Argentina — 2nd test, Argentina vs. England. Various sites — Pacific Rim Championship, Canada vs. Hong Kong; United States vs. Japan.

TENNIS, Paris —men, women, French Open, to June 8.

SOCCER, Montpellier, France — Tournoi de France, France vs. England. Various sites — World Cup qualifiers; Georgia vs. Moldova; Belgium vs. San Marino; Macedonia vs. Iceland; Portugal vs. Albania; Ukraine vs. Germany; Nigeria vs. Kenya; Morocco vs. Ghana; Fiji vs. New Zealand.

SUNDAY, JUNE 8

ATHLETICS, Moscow — men, women, Grand Prix, Znamensky Memorial (class I).

AUTO RACING, Watkins Glen, New York — Six Hours of the Glen; Detroit — CART, Indycar, Detroit Grand Prix.

MOTORCYCLE RACING, Le Castellet, France — French Grand Prix.

SOCCER, Lyon, France — Tournoi de France, Brazil vs. Italy; Tokyo — Kirin Cup, Japan vs. Croatia; Various sites — World Cup qualifiers: Guinea vs. Burkina Fasa; Egypt vs. Tunisia; Republic of Congo vs. Congo; South Africa vs. Zambia; Angola vs. Cameroon; Togo vs. Zimbabwe; Gabon vs. Sierra Leone; China vs. Tajikistan; Vietnam vs. Turkmenistan; El Salvador vs. Mexico; Denmark vs. Bosnia-Herzegovina; Finland vs. Azerbaijan; Hungary vs. Norway; Latvia vs. Austria; Estonia vs. Sweden; Belarus vs. Scotland; Bulgaria vs. Luxembourg; Russia vs. Israel; Faeroe Islands vs. Malta; Spain vs. Czech Republic; Yugoslavia vs. Slovakia; Ecuador vs. Chile; Uruguay vs. Colombia; Venezuela vs. Bolivia; Argentina vs. Peru.

MONDAY, JUNE 9

TENNIS, women, Birmingham, England — DFS Classic, to June 15. Men, Halle, Germany — Gerry Weber Open, to June 15; London, England — Queen's Club tournament, to June 15.

SOCCER, Tehran, Iran — World Cup qualifying, Asia, first round, Group 2, second half. Iran, Kyrgyzstan, Maldives, Syria, to June 15.

TUESDAY, JUNE 10

RUGBY UNION, Melbourne, Australia — exhibition, Victoria vs. France.

WEDNESDAY, JUNE 11

SOCCER, various sites — World Cup Qualifiers: Iceland vs. Lithuania; Pakistan vs. Kazakstan. La Paz, Bolivia — Copa America, to June 29.

RUGBY UNION, Cardiff, Wales — test, Wales vs. United States.

THURSDAY, JUNE 12

GOLF, men, Bethesda, Maryland — U.S. Open; Etobicoke, Canada — Senior PGA Tour, du Maurier Champions, to June 15; Sapporo, Japan — Sapporo Tokyu, to June 15. Women, Minou, Japan — Suntory Ladies Open, to June 15.

FRIDAY, JUNE 13

RUGBY UNION, Canberra, Australia — exhibition, ACT vs. France.

SOCCER, Sanaa, Yemen — World Cup qualifying, Yemen vs. Indonesia.

SUMO, Sydney, Australia — exhibition sumo matches, to June 14.

GOLF, women, Maple Grove, Minnesota — Edina Realty LPGA Classic, to June 15.

GAMES, Bari, Italy — XIII Mediterranean Games, to June 27.

SATURDAY, JUNE 14

FOOTBALL, World League: Frankfurt at Amsterdam; Scotland at Barcelona.

SOCCER, Chorzow, Poland — World Cup qualifier, Poland vs. Georgia.

RUGBY UNION, Hamilton, New Zealand — test, New Zealand vs. Fiji. Various sites, Pacific Rim Championship, Canada vs. Japan; United States vs. Hong Kong.

SUNDAY, JUNE 8

ATHLETICS, Gateshead, England — men, women, IAAF, Grand Prix, Bupa Games (class II).

AUTO RACING, Montreal, Canada — Formula 1, Canadian Grand Prix.

FOOTBALL, World League: Duesseldorf at London.

هكذا من الأصل

Marlins Fall to Mets

N.Y. Gets Record 5 Double Plays

The Associated Press

Armando Reynoso pitched a five-hitter for his first career shutout, and the New York Mets tied a club record with five double plays in a 6-0 victory over the Florida Marlins.

Reynoso (5-0) didn't allow Florida a hit until the fifth inning Thursday night when Jim Eisenreich led off with a single.

The right-hander earned his first complete game since May 3, 1994, when he was with Colorado. Reynoso walked one and struck out four. The only other time the Mets had five double plays was on June 9, 1983, at Chicago.

New York tagged Kevin Brown (5-4) for seven runs and 12 hits in seven innings.

The Mets, now 25-11 — the league's best record since April 27 — split the two-game series with Florida to remain one-half game behind the Marlins in the National League East.

Braves 9, Expos 0 Denny Neagle scattered six singles for his second career shutout, and Keith Lockhart, Javy Lopez and Andruw Jones homered as Atlanta beat host Montreal.

Neagle (8-1), who also singled and drove in two runs, struck out seven and walked two.

Atlanta swept the two-game series, sending Montreal to its third consecutive loss.

Reds 6, Astros 5 Lenny Harris and Pokey Reese replaced injured starters and had three hits apiece, leading Cincinnati over visiting Houston.

Harris hit a bases-empty homer and later scored two runs and drove in two as a replacement for Deion Sanders, who left the game in the second inning after twisting his left ankle.

Pirates 9, Cardinals 3 In Pittsburgh, Joe Randa, who replaced the injured Kevin Elster as the Pirates' No. 5 hitter, hit a two-run homer and run-scoring triple.

Keith Osik, an infrequent starter, had a two-run single and an RBI triple to back Esteban Loaiza's solid pitching as the right-hander won for the first time in nearly a month.

Ray Lankford homered for the second straight day for St. Louis.

Rockies 9, Padres 7 Larry Walker hit two homers, including a two-run shot in the 11th inning, as host Colorado snapped San Diego's six-game winning streak. Colorado turned a team-record six double plays.

Phillies 9, Cubs 8 Mike Lieberthal hit a three-run homer in the ninth, and Scott Rolen singled home the winning run in the 10th as host Philadelphia ended a six-game losing streak.

Mel Rojas entered with an 8-5 lead in the ninth and blew a save for the fourth time in nine chances.

Giants 5, Dodgers 4 William VanLandingham, coming off two horrible outings, allowed three runs and four hits in six innings as San Francisco beat the Dodgers in Los Angeles.

VanLandingham (3-3), who gave up 11 walks and seven runs in three-plus innings in his two previous starts, turned it around against the Dodgers. He walked one and struck out three before being relieved by Julian Tavarez at the start of the seventh.

NL Roundup

Henny Ray Abrams/Agence France-Presse

The Mets' Carlos Baerga being upended by the Marlins' Cliff Floyd, who failed to break up a double play.

Dubious Calls Lift Bosox

The Associated Press

The Boston Red Sox profited from three questionable calls, including a disputed home run by Mo Vaughn, to beat the Milwaukee Brewers, 2-1, and end a five-game losing streak.

Tim Wakefield (2-4) tied a career-high with 10 strikeouts in the game Thursday night in Milwaukee. The knuckleballer threw 168 pitches in 8⅔ innings. Kerry Lacy earned his first major league save, retiring Dave Nilsson on a pop-up with runners on first and second to end it.

Vaughn lofted a low, outside fastball down the left-field line and barely over the fence in the fourth inning. The third-base umpire ruled it fair. Gerald Williams, the left fielder, and Jeff Cirillo, the third baseman, argued that it was foul. In television replays, the ball appeared to be about three feet foul.

The second base umpire called out Jeromy Burnitz trying to steal second in the third inning and called out Williams in the seventh. Both times, TV replays showed that the runners were safe.

Mariners 14, Tigers 6 Alex Rodriguez became the first Seattle player to hit for the cycle in a nine-inning game as the visiting Mariners homered four times to rout Detroit.

Rodriguez, who drove in two runs and scored three, homered in the first, singled in the fourth, tripled in the eighth and doubled in the ninth.

Athletics 4, Blue Jays 3 Jose Canseco hit a three-run homer in the eighth inning as visiting Oakland handed Toronto its fourth straight loss.

Pat Hentgen (5-3) had retired 12 straight batters before Geronimo Berroa and Mark McGwire hit consecutive singles with the A's trailing 3-1 in the eighth. Canseco then hit his 12th home run of the season to put the A's up 4-3.

It was his 32nd career homer against the Blue Jays.

Angels 3, Twins 0 The rookie Jason Dickson scattered six hits in eight innings and Luis Alicea broke a scoreless tie with a seventh-inning single as Anaheim won in Minneapolis.

Dickson (7-2) limited the Twins to six singles as he outdueled Bob Tewksbury, who allowed nine hits after starting off with 4⅔ perfect innings.

Alicea's single on a low-and-away pitch with two outs in the seventh scored Garrett Anderson, who had reached base with a one-out single.

Indians 5, White Sox 4 Casey Candaele lined a game-winning single off Carlos Castillo in the bottom of the 11th as Cleveland avoided a three-game sweep by visiting Chicago.

Castillo (0-1) walked Manny Ramirez with one out, and Sandy Alomar doubled down the left-field line. Candaele, a utility infielder called up from Triple-A Buffalo on May 24, fouled off several pitches before hitting a 2-2 pitch to center for his first RBI of the season.

Rangers 6, Royals 3 Dean Palmer singled home the go-ahead run in the 11th inning to give Texas the victory in Kansas City.

Rusty Greer and Juan Gonzalez led off the 11th with consecutive singles off Hipolito Pichardo (1-2). After Will Clark popped up, Palmer drove in the go-ahead run. Warren Newsome walked to load the bases, Damon Buford hit an RBI single and Benji Gil hit a sacrifice fly.

AL Roundup

Barcelona Battles to Keep Ronaldo

Reuters

BARCELONA — FC Barcelona has made a last-ditch effort to stop its star striker, Ronaldo, from moving to Inter Milan of Italy by invoking a FIFA rule that would prevent his unnegotiated transfer to a non-Spanish club.

"For Ronaldo to go to Inter, they have to negotiate with us," a Barcelona official said Friday.

Inter had appeared ready to pay the 4.5 billion pesetas ($30.8 million) stipulated in Ronaldo's contract as the price needed to release him from obligations with Barcelona. It is normal practice in Spain for players to sign contracts that include such so-called withdrawal clauses.

But FIFA, world soccer's governing body, recognizes such contracts only for transfers made within Spain. With a foreign team such as Inter, "the withdrawal clause is invalid," said the Barcelona official. "In that case, Ronaldo is untransferable." The Spanish Football Federation's secretary-general, Gerardo Gonzalez, said he had received a FIFA circular that supported Barcelona's case.

"It is not admissible that this instrument is used by a third party that is not governed by Spanish rules," he said. "We are sure that Barcelona would win the case."

As a result, Barcelona claims, Ronaldo could move only to a Spanish club unless the transfer were negotiated.

Speculation has already begun that Barcelona's arch-rival, Real Madrid, could buy the Brazilian international before selling him to Inter. Real's president, Lorenzo Sanz, has even raised the prospect of Ronaldo joining the Madrid club itself.

"We'd like to have Ronaldo — it's an interesting subject," said Sanz.

Barcelona's vice-president, Joan Gaspart, said that if a Spanish club acted as a bridge to make a deal, "then it would be fraud which could be easily proved."

Ronaldo, who is now with the Brazilian national squad in France, has said he will not play again for Barcelona, "not because of the fans but because of the management."

■ Dortmund Coach Moves Up

Ottmar Hitzfeld has quit as coach of the European Cup champion Borussia Dortmund just nine days after the biggest triumph in the club's history, Reuters reported from Bonn.

Mr. Hitzfeld said he would be taking over as sports director at the club. It is not yet known who will take his place as trainer.

Mr. Hitzfeld has been in charge since 1991 and last week led Dortmund to the biggest moment in the team's history with a 3-1 victory over Juventus in the European Cup final in Munich. He also steered the club to German league titles in 1995 and 1996.

U.S. Umpire May Call It Quits in Japan

The Associated Press

TOKYO — The first American umpire invited to introduce U.S.-style officiating to Japanese baseball may call it quits after a series of disputes with players and their managers, it was reported Friday.

Mike DiMuro, who umpired Triple A minor-league baseball in the United States and is the son of a former major-league umpire, Lou DiMuro, was invited to Japan to help instill strict and impartial officiating to Japanese baseball, where disputed calls are often negotiated. But his firm style has drawn criticism from players and managers since he arrived two months ago.

After meeting with DiMuro on Friday, the Central League commissioner, Hiromori Kawashima, said DiMuro, 29, was thinking of resigning, the Kyodo news agency reported. League officials could not be reached to confirm the report.

The latest dispute occurred Thursday night, when a Chunichi Dragons' slugger, Yasuaki Taiho, punched DiMuro in the chest after being ejected from a game, Kyodo reported.

"Mr. DiMuro was shocked by the incident and seemed considerably depressed about it," Kawashima told the news agency.

Taiho was ejected for protesting a called strike and later faced a warning from league officials.

Kawashima said he tried to persuade DiMuro not to leave. The umpire will be relieved from working two weekend games, Kyodo said, and the two will meet again Monday, but it appears unlikely that DiMuro will change his mind, the report said.

Professional baseball has been played in Japan since 1934, and in some ways the country is as devoted to the sport as is America. But on the field, Japanese players are far more team-oriented than their American counterparts, favoring slow, methodical strategy.

For years, Japanese umpires have been known to crumble under the pressure of managers. But DiMuro has stirred a wave of wrath from Japanese managers and players, who have said that the American does not understand the Japanese way of playing baseball.

In April, the manager of the Yakult Swallows, Katsuya Nomura, who is known for his reserve in the dugout, stormed onto the field to protest DiMuro's balk call on a Swallows pitcher. Nomura later said that DiMuro was "going to completely mess up Japanese baseball."

Greg Norman: Make or Break Time for Golf's Flawed Master

By Thomas Boswell
Washington Post Service

WASHINGTON — For the next 10 days, watch Greg Norman. To a degree, his life is at stake. His golf life, anyway. His followers in Washington, a town he calls a second home, should not pretend that some other place or time is more likely to hold the key to the last years of Norman's career. The happy ending, if there's to be one in this far-too-lifelike sport, could start here and now.

When you fall off a horse, you need to get back on. And the sooner the better. Norman suffered the greatest fall in golf history 14 months ago at the Masters. He hasn't been back in the saddle since. Now, finally, fate has arranged to give Norman a decent chance to ride again.

The 42-year-old Norman is playing superbly once more. He shot a 64 last Sunday to finish tied for second at the Memorial. He holed a 126-yard shot for an eagle on No. 2 Thursday and shot 66 to tie for the lead at the Kemper Open. Most important, the U.S. Open will be played next week at Congressional Country Club — one of two courses in America on which Norman has won more than once.

"I enjoy it here in Washington. I got married here," said Norman, whose wife, Laura, was a stewardess whose airline's hub was here. "I've got a lot of friends here from as far back as 1979," he said, adding: "Now, I'm coming in here in a nice relaxed frame of mind, feeling good and solid with my game.

"I want to put in a great performance and win this week. Then, on Sunday night, I can lie back in bed and throw my mind back into the '80s and remember Congressional." Those memories should make for pleasant dreams.

When Norman first emerged as a star on the PGA Tour 13 years ago with a win at the Kemper Open at Congressional, the accepted wisdom in golf held that a player could only endure a finite amount of suffering during a career. Then, you broke. Sooner or later, everybody cracked.

Arnold Palmer was never the same after he blew the '66 U.S. Open at Olympic to Billy Casper. Sam Snead never got over that catastrophic 18th at the '57 Masters. Jack Nicklaus's mystique was punctured after Tom Watson chipped in to beat him in the '82 Open at Pebble Beach. And so forth. For every superstar, you could cook up some theory about a dagger in the heart, a brutal loss, a stroke of terrible luck, that ended his era of dominance and made him a mere mortal thereafter.

Then, along came Norman. He broke the mold. Or, rather, you couldn't break his mold. His resiliency amazed his peers. No matter how badly the game bent him out of shape, he returned to his original form. The litany of his bad luck — and, sometimes, his own bad play — on Sunday in the majors is now legendary. He might not be the greatest of players, but he became one of the most appealing ever because of his toughness, his all-too-human flaws and his stubbornness.

After the 1996 Masters, the whispers about Norman began again. They weren't malicious, just sad. Surely, this time, after blowing a six-shot lead on the final day, even Norman would "never be the same again."

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DAVE BARRY

Facts About Floating Frogs

MIAMI — Get ready to dance naked in the streets, because scientists have finally done something that humanity has long dreamed about, but most of us thought would never happen within our lifetimes.

That's right: They have levitated a frog.

I swear I am not making this up. According to an Associated Press article sent in by a number of alert readers, British and Dutch scientists "have succeeded in floating a frog in air." They did this by using magnetism, which, as you recall from physics class, is a powerful force that causes certain items to be attracted to refrigerators. Magnetism is one of the Six Fundamental Forces of the Universe, with the other five being Gravity, Duct Tape, Whining, Remote Control and The Force That Pulls Dogs Toward The Groins Of Strangers.

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The AP article states that the scientists levitated the frog by subjecting it to "a magnetic field a million times stronger than that of the Earth." According to scientists, the frog "showed no signs of distress after floating in the air inside a magnetic cylinder."

I am not a trained scientist, but my reaction to that last statement is — and I quote — "Duh." I mean, of course the frog "showed no signs of distress": It's a frog. Frogs are not known for their ability to show emotions; they are limited to essentially one facial expression, very much like Jean-Claude Van Damme. What did these scientists expect the frog to do? Cry? Hop around on their computer keyboard and spell out the words "I AM EXPERIENCING DISTRESS"?

No, we don't really know what the frog was feeling; this is why we should be skeptical about the scientists' claim, as reported in the AP story, that "there is no reason" why this same magnetic technique could not be used on "larger creatures, even humans." Before we start exposing human beings to extremely powerful magnetic fields, we should conduct extensive laboratory tests on Richard Simmons.

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But if magnetic levitation really turns out to be safe, I think it could have some important "real world" applications:

1. GETTING CHILDREN OUT OF BED ON SCHOOL MORNINGS. Scientists calculate that the attraction between a child and his or her bed on a school morning can be up to 75 times as strong as mere gravity. Most parents try to overcome this attraction by pounding on the door and shouting ineffective threats, the most popular one being: "YOU'RE GOING TO BE LATE FOR SCHOOL!" The problem with this threat is that it's based on the idiotic premise that the child wants to be in school and be forced to sit on a hard chair and figure out how many times 7 goes into 56; naturally, the child prefers the bed.

Think, parents, how much easier it would be if, at 6:30 A.M. on school mornings, you could simply press a button, thereby activating gigantic magnets under your child's bed that would cause the child to float upward, along with any frogs that happened to be in bed with the child. Then, instead of wasting your time yelling, "YOU'RE GOING TO BE LATE FOR SCHOOL!" you could waste your time yelling, "STOP DRAWING WITH THAT MARKING PEN ON THE CEILING!" So perhaps this is not such a good use for magnetic levitation after all. Perhaps a better one would be:

2. COPING WITH PEOPLE WHO "SAVE" SEATS. I don't know about you, but it makes me nuts when I enter a self-service restaurant, airport gate area, movie theater, etc., and there are people "saving" seats — sometimes lots of seats — for people who are not there, and who sometimes do not ever actually show up, which does not stop the savers from vigilantly guarding their seats, often by placing items such as shopping bags on them. My feeling is, if an actual person was physically there and had to go to the bathroom or something, fine, you can "save" that person's seat until he or she returns; but if you're "saving" a seat for a hypothetical person who is not there, then the seat should go to real people who ARE there. The concept of "saving" seats should be restricted to junior high school, where "frontsy-backsy" is still considered a legal technique for butting into line.

So my idea is that public seating areas would be monitored via cameras; if a "seat-saver" was observed denying seats to real people, the appropriate magnets would be activated, and the seat-saver, along with the shopping bags, would vacate the "saved" seats, very much the way a Poseidon missile vacates a submarine. Granted, the magnetic field would also prevent everybody else from using the seats, but I think the overall effect would be worth it.

3. IMPROVING THE QUALITY OF MEDICAL CARE. I recently had my annual physical examination, which I get once every seven years, and when the nurse weighed me, I was shocked to discover how much stronger the Earth's gravitational pull has become since 1990. There should be magnets — very powerful magnets — under doctors' scales to compensate for the gravitational increase, much the way economists adjust dollar amounts for inflation.

I'm sure I could come up with other practical uses for magnetic human levitation, but I have to go. It's been an hour since lunch, and, as a resident of the Earth's magnetic field, I find myself powerfully attracted to the refrigerator.

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Frontiers of Memory: A Director's Voyage

By Joan Dupont
International Herald Tribune

CANNES — The venerable and the absent, dearly beloved by festivals, received a standing ovation when Manoel de Oliveira presented "Journey to the Beginning of the World," starring Marcello Mastroianni in his ultimate role. The director noted with sorrow that this was Mastroianni's 171st film: "It was not supposed to be his last."

Chiara Mastroianni was in the audience that applauded both her father and the Portuguese filmmaker, who is, at 88, probably the world's oldest working director.

Oliveira, a phenomenon on the international scene, started in the days of silent film, hit his stride in his 60s, and has made a film a year since 1990. His casting has become international, the setting contemporary, but he is against gimmicks, flashbacks, special effects, saying, "Cinema is already a special effect, you don't have to lay it on."

His career, from the documentary "Hard Labor on the River Douro," moved through neo-realism, and, in past decades, to dense romance, poetry and dark humor. His "The Convent," starring Catherine Deneuve and John Malkovich, he describes as "a mystery you never see, whereas 'Journey to the Beginning of the World' is about places that you can touch and see."

Sporting a kelly-green Lacoste shirt, and a Panama hat, the spry director — he was a racing driver in his salad days — concedes that lately, he tends to muddle his languages. "I think I'm speaking French or Italian and it comes out Portuguese," he said. "Although I'm in good shape, the years add up, and I think, just like Marcello, you have to work, work, work, to forget that death is there. We walk to the water's edge and what do we see on the other side? We see death."

"Journey to the Beginning of the World" (Viagem Ao Principio do Mundo) takes place in a confined space and mixes themes from Greek tragedy, a search for the father, a touch of surreal humor and an elegy in a churchyard. The action, situated in northern Portugal near the Spanish border, in fact crosses frontiers of memory — looking back on a past that was imperfect, commenting on a world in which, "Americans have not heard of Sarajevo but know the names of famous movie stars." "Journey" is also about a once-glorious power, Portugal, "born of the crusades, like all of Europe," and the return of exiled sons to a deserted country.

Oliveira dedicated this complex film to Mastroianni, whose health was failing during the shooting — "none of us ever referred to the fact." Not only did

Marcello Mastroianni, left, and director Manoel de Oliveira, in "Journey to the Beginning of the World."

the actor slip into the director's skin, adopting his attitudes and accoutrements, down to the Panama, but each relished the game of identification.

The Italian, who celebrated his 72d birthday on location in a rugged mountain village, plays the part of a famous director named Manoel, who is driven through Portugal scouting locations. Oliveira actually drives the car in the movie, while Manoel/Marcello sits in the back and reminisces about sites from his childhood. In the car with them is a younger generation: a popular actor, Afonso (Jean-Yves Gautier) and actress, Judite (Leonor Silveira).

"This first part of the film is about Manoel's memory," the director said. "He wants to find the path to the village, the statue of Pedro Macao, a rustic roadside sculpture of a figure carrying a beam on his back — all the weight of the world, the image of humanity."

In the second part of the film, Afonso the actor is stirred to talk about his own childhood: His father left the hard life in Portugal for France; he talked little of his family, and never taught his sons his native tongue. "Listening to Manoel, Afonso thinks of his own sad story, and how their paths are different, but parallel. The idea came from a real story I heard about a Portuguese actor, raised in France, who shot a movie in Portugal and became curious to see his father's homeland — when he got there, he was overcome by the strong pull of the past."

Arriving at the farmhouse of Afonso's aunt (Isabel de Castro), the troupe of roving players come up against a cast of grim old-timers, gothic mountaineers. The old aunt stubbornly refuses to recognize Afonso: He may look like her brother, but he doesn't speak Portuguese; why doesn't he speak their language?

The others, who speak Portuguese, interpret: "But your nephew is a famous actor, he's on television." The woman does not watch television, and has only a loaf of bread to offer. "He can't be my nephew because he doesn't speak the way we do," she repeats, until finally, Afonso puts his bare arm next to hers and says, "It's not language that counts, it's blood; the blood that beats in my veins is the same as your blood." Only then is there a shock of recognition — she accompanies him to the family cemetery, and the journey is accomplished.

"When we talk about returning to the beginning of the world, it means going back to our origins. We make war in Africa, we act impulsively, without knowing why. I don't know about the future; we can imagine some good things, maybe. I see cycles passing, repeating. We always have to start over again," the director said.

This knotty story of roots, race and lost heritage, a prophecy of small hope for a wasted land, is a heavy package for a one hour, 33 minute movie. Manoel the director may be at the wheel, but Manoel/Marcello is the backseat driver, giving the movement a lightness and grace by dint of his mere presence: His sighs, ironic smiles and the way he tilts his head to listen make him more a wise witness than an actor doing a job. In the second part of the movie, his character fades into the background, but he bounces back in the farmhouse scene, mugging and mimicking the spooky hosts.

During pauses in the shooting, Mastroianni was also interviewed for a documentary, "I Remember" ("Mi ricordo si io mi ricordo"), filmed by his companion Anna Maria Tato. At the end of Oliveira's film, he said, "Manoel, if you want us to shoot another film together, let me know. I'll come immediately," Oliveira said. "Then he was gone. But no one ever heard him complain."

The director doesn't think his film is pessimistic. "It's just realistic," he said. "I believe that the world is always in transition, and, personally, I don't like this mechanization and dehumanization of man — we speak into these gadgets — " he points to the tape recorder, "and cameras that distance contact between people."

He is preparing to shoot a new film this summer, with "the extraordinary" Irene Papas. "It's called 'Inquietude — Disquietude' — that's the title, and that's all I can say for now, and yes, 'disquietude' describes the way I feel."

PEOPLE

NOT every father gets to do this, but **President Bill Clinton** gave an emotional send-off to his daughter, **Chelsea**, at her high school graduation ceremony Friday. "Though we have raised you for this moment of departure, and we are very proud of you, part of us longs to hold you once more as we did when you could barely walk," Clinton told his 17-year-old daughter in remarks at the Sidwell Friends school graduation. He and his wife, **Hillary**, are bracing for their daughter's departure next fall for Stanford University in California. "Our pride and joy are tempered by our coming separation from you," Clinton said, speaking on behalf of all the parents at the ceremony at the private school.

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A little-known singer has been chosen by the legendary rock group **Genesis** to take the place of **Phil Collins**. Edinburgh-born **Ray Wilson**, 28, who sang with rock band **Stiltskin**, said he was nervous about his role in Genesis. "Fronting a band with such a history is an incredible challenge," Wilson said Friday. He will be the third front man for Genesis. **Peter Gabriel** was Collins's predecessor. Both went on to worldwide success as solo artists. Wilson sings all 11 tracks on the new Genesis album, due out this summer.

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In the latest round in the print war between **Brigitte Bardot** and a former husband, **Jacques Charrier**, the erstwhile sex symbol is asking a court to order big cuts in a book he wrote about their marriage. Her lawyers requested descriptions of their intimate life, love letters she once wrote him, and pictures of her to be deleted from Charrier's "My Reply to BB," which was written as a rejoinder to "Initiales BB," in which Bardot, 62, wrote a number of disagreeable things about Charrier and their son, **Nicolas**, now 36. Charrier failed to have Bardot's memoirs excised of 80 pages mentioning them, but a court awarded them 250,000 francs ($43,000) in damages. Bardot and Charrier were married from 1959 to 1963.

Fred Prouser/Reuters

OVER THERE — The London talk-show host Ruby Wax arriving for a party in Beverly Hills to celebrate the U.S. launching of her show.

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The Irish rock band **U2**'s ambitious "PopMart" stadium tour appears to have fallen short of its hype with at least two shows already canceled, with slow ticket sales being one possible reason. "About 20 percent of the dates have been less than overwhelming," **Paul Wasserman**, U2's publicist in Los Angeles, said on Thursday. "One hopes for total capacity everywhere, but that doesn't always happen."

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Anne Sinclair has been the prime time interviewer on the popular current affairs program "7/7," for 13 years. She is also the wife of France's new Socialist finance minister, and she will end her connection with the program, the private television channel TF1 said Friday. Sinclair will present the last of the hourlong Sunday evening interviews of leading politicians on July 6, a week before her 49th birthday. **Prime Minister Lionel Jospin** put her husband, **Dominique Strauss-Kahn**, in charge of a super-ministry of finance, economy and industry after the left's victory in a snap parliamentary election. A TF1 spokeswoman said Sinclair originally planned to end the program after the regular election that would have been held next year. She will remain deputy director of the channel's news services.

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Agence France-Presse

Daniel Ducruet kicking a door after his appearance on German TV.

Not Much Talk At the Reunion

Agence France-Presse

COLOGNE — An effort by a German TV talk-show to confront Daniel Ducruet, former husband of Monaco's Princess Stephanie, with the stripper who led to the break-up of his marriage last year, turned explosive.

Ducruet, who had been Stephanie's bodyguard before their marriage, stalked angrily off the set after the surprise announcement of Fili Houteman's impending arrival, and smashed up her box in the studio. RTL television said he had broken the furniture and smashed the windows.

Before his dramatic departure, Ducruet said on the popular "Schreinemakers" show that he had been the victim of a set-up in August 1996, when he and the Belgian stripper were filmed naked by a French Riviera poolside.

The publication of the photos around the world led to the divorce between Ducruet and Stephanie.

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